



# DEVON & SOMERSET FIRE & RESCUE AUTHORITY

M. Pearson  
CLERK TO THE AUTHORITY

To: The Chair and Members of the Human  
Resources Management & Development  
Committee

(see below)

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## **HUMAN RESOURCES MANAGEMENT & DEVELOPMENT COMMITTEE** **(Devon & Somerset Fire & Rescue Authority)**

**Tuesday, 3rd July, 2018**

A meeting of the Human Resources Management & Development Committee will be held on the above date, **commencing at 2.00 pm in Conference Room B, Somerset House, Service Headquarters** to consider the following matters.

M. Pearson  
Clerk to the Authority

### **A G E N D A**

***PLEASE REFER TO THE NOTES AT THE END OF THE AGENDA LISTING SHEETS***

**1 Apologies**

**2 Minutes (Pages 1 - 4)**

of the previous meeting held on 23 March 2018 attached.

**3 Items Requiring Urgent Attention**

Items which, in the opinion of the Chair, should be considered at the meeting as matters of urgency.

### **PART 1 - OPEN COMMITTEE**

**4 Absence Management Performance Report (Pages 5 - 12)**

Report of the Director of Service Improvement (HRMDC/18/23) attached.

**5 Sickness Absence Management (Pages 13 - 20)**

Report of the Director of Service Improvement (HRMDC/18/24) attached.

- 6 **Pension Discretions - Firefighters' Pension Scheme (Pages 21 - 34)**  
Report of the Director of Finance (Treasurer) (HRMDC/18/25) attached.
- 7 **Review of Expenses Policy - Accommodation & Subsistence (Pages 35 - 38)**  
Report of the Director of Finance (Treasurer) (HRMDC/18/26) attached.
- 8 **Appointments to the Internal Disputes Resolution Panel (Pages 39 - 40)**  
Report of the Director of Corporate Services (Clerk) (HRMDC/18/27) attached.
- 9 **Workforce Culture, Diversity & Inclusion update (Pages 41 - 44)**  
Report of the Director of Service Improvement (HRMDC/18/28) attached.

**MEMBERS ARE REQUESTED TO SIGN THE ATTENDANCE REGISTER**

Membership:-

Councillors Bown (Chair), Best, Clayton, Hannaford, Peart, Thomas and Vjeh (Vice-Chair)

**NOTES**

<b>1.</b>	<b><u>Access to Information</u></b> Any person wishing to inspect any minutes, reports or lists of background papers relating to any item on this agenda should contact the person listed in the “Please ask for” section at the top of this agenda.
<b>2.</b>	<b><u>Reporting of Meetings</u></b> Any person attending a meeting may report (film, photograph or make an audio recording) on any part of the meeting which is open to the public – unless there is good reason not to do so, as directed by the Chairman - and use any communication method, including the internet and social media (Facebook, Twitter etc.), to publish, post or otherwise share the report. The Authority accepts no liability for the content or accuracy of any such report, which should not be construed as representing the official, Authority record of the meeting. Similarly, any views expressed in such reports should not be interpreted as representing the views of the Authority.  Flash photography is not permitted and any filming must be done as unobtrusively as possible from a single fixed position without the use of any additional lighting; focusing only on those actively participating in the meeting and having regard also to the wishes of any member of the public present who may not wish to be filmed. As a matter of courtesy, anyone wishing to film proceedings is asked to advise the Chairman or the Democratic Services Officer in attendance so that all those present may be made aware that is happening.
<b>3.</b>	<b><u>Declarations of Interests at meetings (Authority Members only)</u></b> If you are present at a meeting and you are aware that you have either a disclosable pecuniary interest, personal interest or non-registerable interest in any matter being considered or to be considered at the meeting then, unless you have a current and relevant dispensation in relation to the matter, you must: <ul style="list-style-type: none"><li>(i) disclose at that meeting, by no later than commencement of consideration of the item in which you have the interest or, if later, the time at which the interest becomes apparent to you, the existence of and – for anything other than a “sensitive” interest – the nature of that interest; and then</li><li>(ii) withdraw from the room or chamber during consideration of the item in which you have the relevant interest.</li></ul> If the interest is sensitive (as agreed with the Monitoring Officer), you need not disclose the nature of the interest but merely that you have a disclosable pecuniary interest of a sensitive nature. You must still follow (i) and (ii) above.  Where a dispensation has been granted to you either by the Authority or its Monitoring Officer in relation to any relevant interest, then you must act in accordance with any terms and conditions associated with that dispensation.  Where you declare at a meeting a disclosable pecuniary or personal interest that you have not previously included in your Register of Interests then you must, within 28 days of the date of the meeting at which the declaration was made, ensure that your Register is updated to include details of the interest so declared.
<b>4.</b>	<b><u>Part 2 Reports</u></b> Members are reminded that any Part 2 reports as circulated with the agenda for this meeting contain exempt information and should therefore be treated accordingly. They should not be disclosed or passed on to any other person(s). Members are also reminded of the need to dispose of such reports carefully and are therefore invited to return them to the Committee Secretary at the conclusion of the meeting for disposal.
<b>5.</b>	<b><u>Substitute Members (Committee Meetings only)</u></b> Members are reminded that, in accordance with Standing Order 35, the Clerk (or his representative) must be advised of any substitution prior to the start of the meeting. Members are also reminded that substitutions are not permitted for full Authority meetings.

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## **HUMAN RESOURCES MANAGEMENT & DEVELOPMENT COMMITTEE**

(Devon & Somerset Fire & Rescue Authority)

23 March 2018

### Present:-

Councillors Best, Coles, Ellery and Healey MBE

### Apologies:-

Councillors Chugg and Hannaford

### **HRMDC/20 Election of Chair**

In view of the apology for non-attendance submitted by both the Chair and Vice Chair of this Committee, it was

**RESOLVED** that Councillor Healey MBE be elected Chair for this meeting.

### \* **HRMDC/21 Minutes**

**RESOLVED** that the Minutes of the meeting held on 12 December 2017 be **DEFERRED** for signing as a correct record at the next meeting.

### \* **HRMDC/22 Workforce Culture, Diversity and Inclusion - Quarterly Update**

The Committee received for information a report of the Director of Service Improvement (HRMDC/18/19) on current progress with work being undertaken by the Service in planning and delivering cultural change. This work was being driven by the requirements of the proposed new National Framework for England and Wales for reform to be delivered within fire and rescue services and particularly for them to develop and maintain a workforce that was resilient, skilled, flexible and diverse. The focus in future needed to be in four areas, namely promoting an inclusive culture, recruitment, progression and retention.

The Committee considered, in particular, the progress that had been made within Devon & Somerset Fire & Rescue Service in the following areas:

- Inclusive culture/leadership – including the instigation of new Values and Leadership Behaviours, the transparent promotion process that had been undertaken and the development of a new appraisal process;
- Recruitment, promotion and retention – the Service was developing a People Strategy (as suggested by the the Home Office) and as part of this was evaluating the wholetime and on-call recruitment processes to ensure that they were fair, transparent and made full use of the available talent pool in the community. Feedback from a conference attended recently indicated that the Service approach to recruitment was ahead of that of other fire and rescue services, particularly in respect of the recruitment of women to on-call positions.

The Committee was advised that the new inspection regime under Her Majesty's Inspectorate of Police and Fire and Rescue Services would be looking more closely at the Service's equality and diversity statistics so it was important to evidence those areas of workforce reform already undertaken.

\* **HRMDC/23 Gender Pay Gap**

The Committee received for information a report of the Director of Service Improvement (HRMDC/18/20) to which was appended the first Gender Pay Gap report for the Service. New requirements under the Equalities Act 2010 required all public authorities with 250 or more employees to publish statutory calculations every year on how large the pay gap was between male and female employees.

It was noted that the UK gender pay gap (in favour of men) was 18.1% in April 2016 whilst the gap for all staff groups within Devon & Somerset Fire & Rescue Service was 11%. The Service had instigated an Action Plan to address the pay gap, including:

- Increasing the number of women applying for senior roles in the operational and non-operational workforce;
- Increasing the attraction and recruitment of women into the operational workforce; and
- Retaining women by identifying and addressing barriers to continue and progress their careers throughout their working life.

**HRMDC/24 Provision of Vehicles to Employees**

The Committee considered a report of the Director of Finance (Treasurer) (HRMDC/18/21) on the Contract Car Hire (CCH) Schemes operated for both uniformed and non-uniformed employees.

The schemes had been subject to review to ensure they remained cost neutral to the Service and that they remained compliant with HMRC requirements while still remaining an attractive benefit to employees. As a result of the review, it was now proposed that the Contract Car Hire Schemes currently offered by the Service be closed and replaced with a car allowance payment for all staff.

**RESOLVED** that the Devon & Somerset Fire & Rescue Authority be recommended to approve:

- (a) discontinuation of the Contract Car Hire Schemes for both uniformed and non-uniformed employees;
- (b) the introduction of a Car Allowance option for eligible officers (as defined in the report) who wish to have a vehicle for both business and private use;
- (c) subject to (b) above, consultation with employees on and subsequent implementation of Car Allowance payments and mileage rates on the basis of the options as set out in Appendix A to report HRMDC/17/21;
- (d) payment of an Essential User Allowance, on the basis of the options identified in Appendix A to the report, for other employees not covered by (b) above but who are required to provide a vehicle for business use.

\* **HRMDC/25 Absence Management and the Health of the Organisation**

The Committee received for information a report of the Director of Service Improvement (HRMDC/18/22) that set out the Service's performance on absence management up to and including January 2018.

The Committee noted that performance for the period April 2017 to January 2018 was 7.26 days/shifts lost as compared with 7.01 days for the same period in 2016/17.

It was noted that a top level review into sickness absence was being undertaken and that a report on the outcome of this would be submitted to the Committee in due course. Absence levels was a key measure for the Service and a specific target was being developed with an average measure of 8 days/shifts lost per person for wholetime, control and support staff.

**\*DENOTES DELEGATED MATTER WITH POWER TO ACT**

The Meeting started at 10.00 am and finished at 11.40 am

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# Agenda Item 4

<b>REPORT REFERENCE NO.</b>	<b>HRMDC/18/23</b>
<b>MEETING</b>	<b>HUMAN RESOURCES MANAGEMENT &amp; DEVELOPMENT COMMITTEE</b>
<b>DATE OF MEETING</b>	<b>3 JULY 2018</b>
<b>SUBJECT OF REPORT</b>	<b>ABSENCE MANAGEMENT PERFORMANCE REPORT</b>
<b>LEAD OFFICER</b>	<b>DIRECTOR OF SERVICE IMPROVEMENT</b>
<b>RECOMMENDATIONS</b>	<i>That this report is noted and that the Service continues with the actions set out in the top-level review of sickness absence as reported in a separate paper to the Committee.</i>
<b>EXECUTIVE SUMMARY</b>	<p>Devon and Somerset Fire and Rescue Service takes the health, safety and wellbeing of employees seriously and as such, it provides a wide range of initiatives, interventions and policies to ensure that employees enjoy a safe and supportive working environment.</p> <p>The Service performance for Absence Management has been included as a standing item on the Human Resources Management and Development Committee (the Committee) agenda since the formation of the Service and absence levels remain a key measure as they affect the efficiency and the effectiveness of the Service.</p> <p>This paper contains the standard measures of performance that are provided as part of this standing item and the Service progress with a new absence management policy.</p>
<b>RESOURCE IMPLICATIONS</b>	Staff and financial resources associated with absence management.
<b>EQUALITY RISK AND BENEFITS ANALYSIS (ERBA)</b>	The Absence Management policy has an equality impact assessment.
<b>APPENDICES</b>	None
<b>LIST OF BACKGROUND PAPERS</b>	None

1. **INTRODUCTION**

1.1 Devon and Somerset Fire and Rescue Service takes the health, safety and wellbeing of employees seriously and provides a wide range of initiatives, interventions and policies to ensure that employees enjoy a safe and supportive working environment. However,, the Service recognises that employee absence has a significant cost to the organisation and is therefore something that needs to be measured, understood and addressed. A reasonable balance needs to be struck between the genuine needs of employees to take occasional periods of time off work because of ill-health and the Service’s ability to fulfil its role in serving local communities.

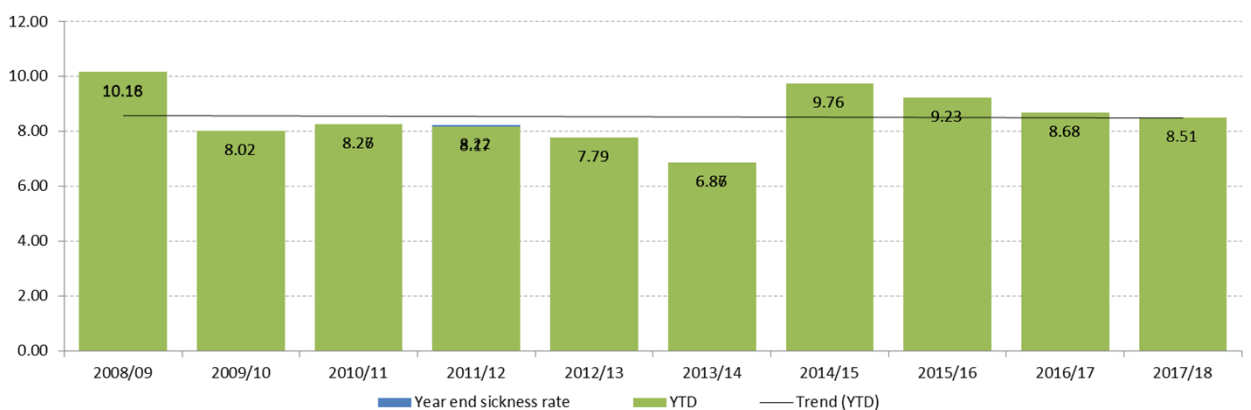
1.2 The Service performance for Absence Management has been included as a standing item on the Committee agenda since the formation of the combined Service in 2007, when in 2007/08 the average sickness rates were 13.01 days/shifts of sickness and in 2008/09 10.16 days/shifts of sickness.

1.3 The Service has undertaken a top-level review into sickness absence which is reported separately on the agenda for this meeting (report HRMDC/18/x refers). Absence levels are a key measure as they affect the efficiency and the effectiveness of the Service. For the first time, the Service is developing a specific target for sickness in 2018/19 with an average measure of 8 days/shifts of sickness per person for the Wholetime, Control and Support Staff.

1.4 The key aspects for consideration in this report are the 2017/18 full year performance.

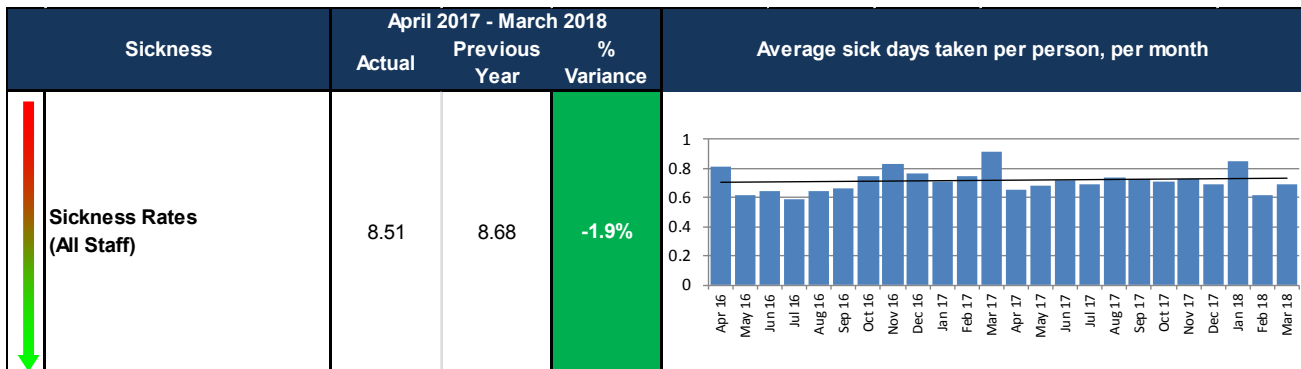
2. **APRIL 2017 - MARCH 2018 ABSENCE PERFORMANCE**

2.1 Absence levels since 2008/9 are shown below in terms of average lost days per person per year. Although, we have seen some variations over this period the overall trend line remains virtually horizontal. Since the last report to the Committee, the Service has seen an improvement in sickness absence and, whilst previously forecasting a worse performance than 2016/18, the final result for 2017/18 is slightly improved on the previous year.



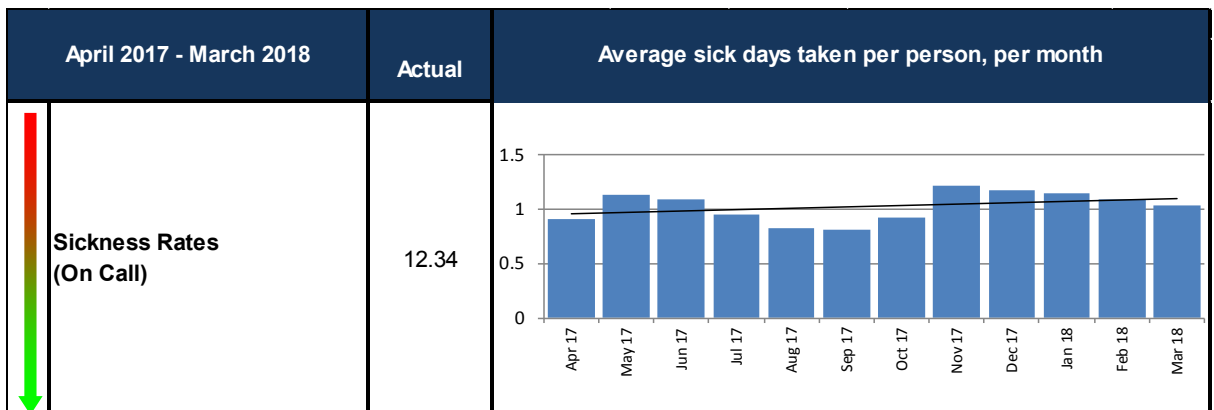
2.2 The graph below shows the monthly sickness rates for the last 2 years. On average, employees have taken 8.51 days during the last financial year compared with 8.68 for the previous year. When the figures were reviewed at the Committee meeting in December 2017, the figures to October showed performance to be 5.6% worse than the previous year. In March 2018, performance was 3.6% worse than the previous year and the overall result was 1.9% better than the previous year and it is pleasing to see this improvement.

## Sickness Direction of Travel



- 2.3 The On-call rates are also shown below but at this stage, the Service is unable to compare with the previous year as there is no retrospective performance data. This level of sickness is higher than for other staff categories, however, for On-call Firefighters the Service will record sickness over 7 days per week rather than lost shift or working days. For On-call Firefighters, this reflects the method of payment for sickness absence which is calculated on a daily rate based on the previous 12 weeks of work activity.

## On-call Staff

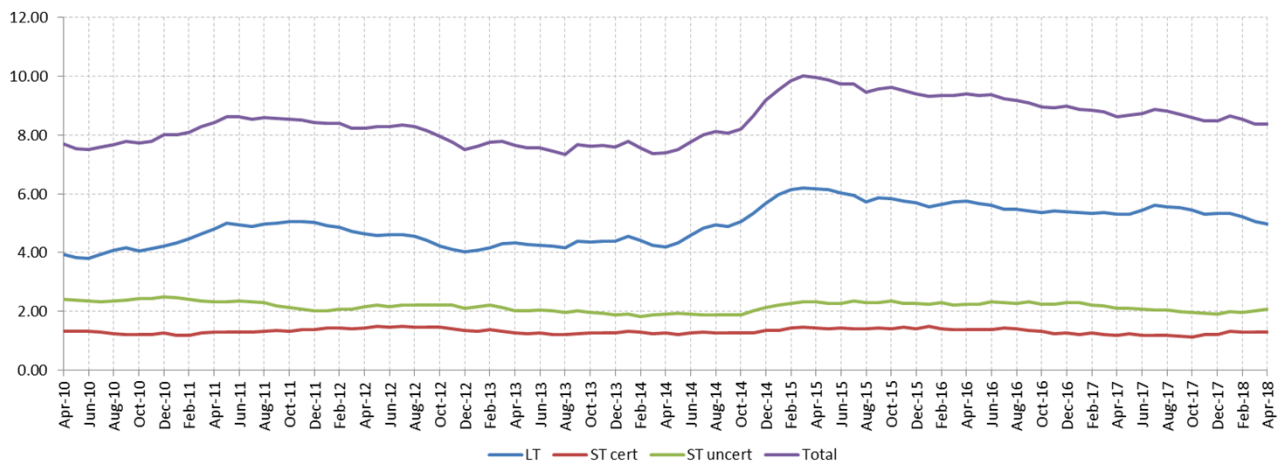


- 2.4 With monthly peaks and troughs in sickness, it is difficult to see the on-going longer term change in the rates over this time and so the sickness levels are shown over a 12 month rolling sickness rate as measured at the end of each month. As this is a rolling rate, it removes any monthly peaks and troughs and enables the Service to see performance trends more clearly. It can be seen from the chart that short-term certified and uncertified sickness have remained fairly static since 2010 but the variation that has been experienced has been in Long-term sickness. An overall total has been added to this chart and it can be seen that this line typically follows the level of the Long-term sickness.

- 2.5 The 3 categories of sickness shown in the chart are:

- Self-certified sickness – periods of sickness up to 7 days which do not require a GP medical certificate;
- Short-term sickness – periods of sickness between 8 and 28 days for which a GP certificate is required;
- Long-term sickness – periods of over 28 days.

## Average sick days taken per person, per year on a rolling 12 month basis



2.6

Sickness rates are broken down between different contract types as well as the length of sickness. There were 4 contract types considered previously but the Service has now added On-call Firefighters:

- Wholetime Station based staff
- Wholetime non-Station based staff
- Control Staff
- Support Staff
- On-call Firefighters

### Sickness Rates by Post Type

Sickness Rates by post type April 2017 - March 2018		Wholetime Station based staff			Wholetime Non Station staff (inc SHQ, STC, group support teams etc)		
		Actual	Previous Year	% Variance	Actual	Previous Year	% Variance
	<b>Overall Sickness Rate</b>	8.95	7.39	21.2%	6.33	9.95	-36.4%
	Total # Days/shifts lost	3190.5	2751.5	16.0%	1337.5	1900	-29.6%
	<b>Sickness Rates - Long Term (over 28 calendar days)</b>	5.11	3.89	31.3%	4.07	8.17	-50.2%
	# Days/shifts lost LT	1821.5	1450.5	25.6%	860	1560	-44.9%
	<b>Sickness Rates - ST Cert (8 - 28 calendar days)</b>	1.48	1.11	33.6%	0.96	0.80	19.3%
	# Days/shifts lost STcert	529	414	27.8%	202	153	32.0%
	<b>Sickness Rates - ST Uncert (up to 7 calendar days)</b>	2.36	2.38	-1.0%	1.30	1.04	25.1%
	# Days/shifts lost STuncert	840	887	-5.3%	275.5	199	38.4%

Sickness Rates by post type April 2017 - March 2018		Control			Support staff		
		Actual	Previous Year	% Variance	Actual	Previous Year	% Variance
	<b>Overall Sickness Rate</b>	10.80	10.10	6.9%	9.42	9.41	0.1%
	Total # Days/shifts lost	384.52	367.96	4.5%	2286.62	2223.58	2.8%
	<b>Sickness Rates - Long Term (over 28 calendar days)</b>	6.95	4.78	45.6%	5.84	5.31	10.1%
	# Days/shifts lost LT	247.52	173.96	42.3%	1418.43	1254.4	13.1%
	<b>Sickness Rates - ST Cert (8 - 28 calendar days)</b>	2.30	1.13	104.6%	1.24	1.72	-27.9%
	# Days/shifts lost STcert	82	41	100.0%	301.2	406.69	-25.9%
	<b>Sickness Rates - ST Uncert (up to 7 calendar days)</b>	1.55	4.20	-63.2%	2.34	2.38	-1.9%
	# Days/shifts lost STuncert	55	153	-64.1%	566.99	562.49	0.8%

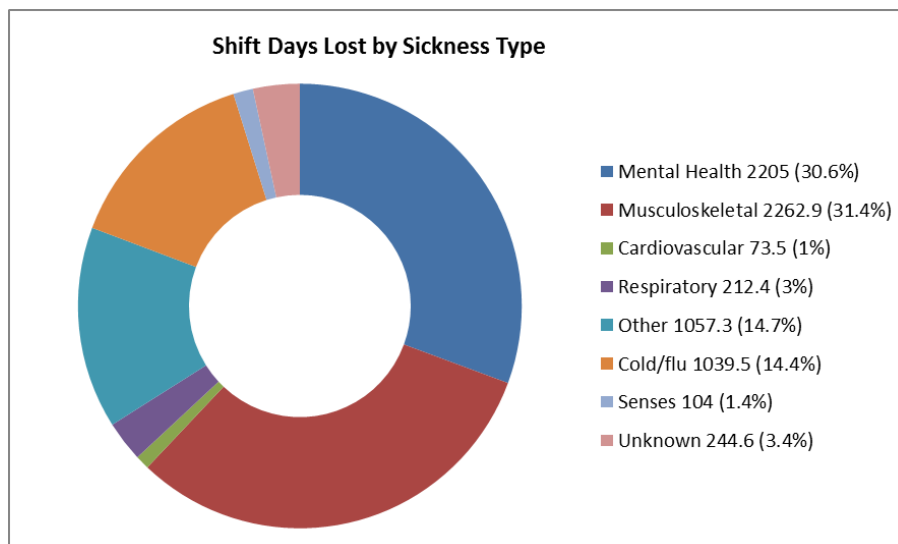
Sickness Rates April 2017 - March 2018		On Call staff
		Actual
	<b>Overall Sickness Rate</b>	12.33
	Total # Days/shifts lost	11905
	<b>Sickness Rates - Long Term (over 28 calendar days)</b>	8.90
	# Days/shifts lost LT	8593
	<b>Sickness Rates - ST Cert (8 - 28 calendar days)</b>	1.90
	# Days/shifts lost STcert	1837
	<b>Sickness Rates - ST Uncert (up to 7 calendar days)</b>	1.53
	# Days/shifts lost STuncert	1475

2.7 We also have information on the reasons for sickness which is taken directly from the Service dashboard and are presented in the same format, but are analysed by the five categories of staff referred to in paragraph 2.6 above.

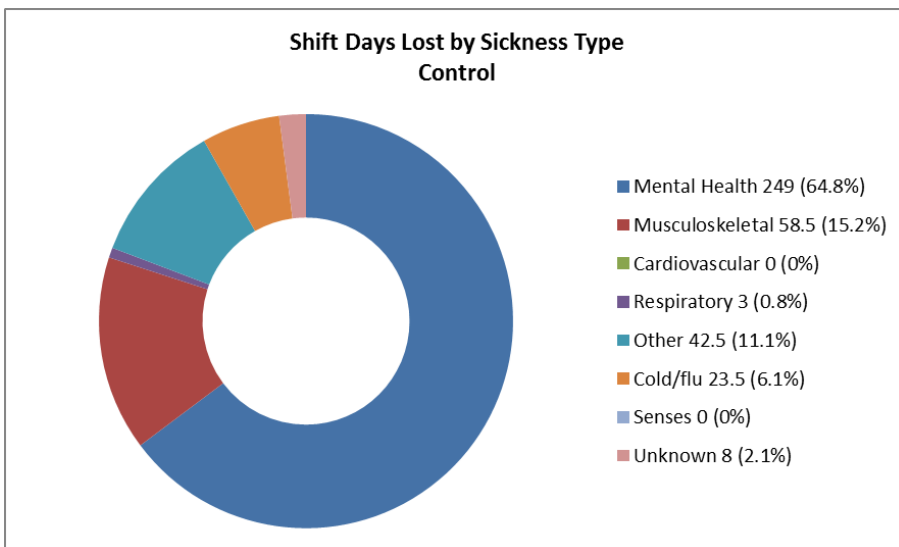
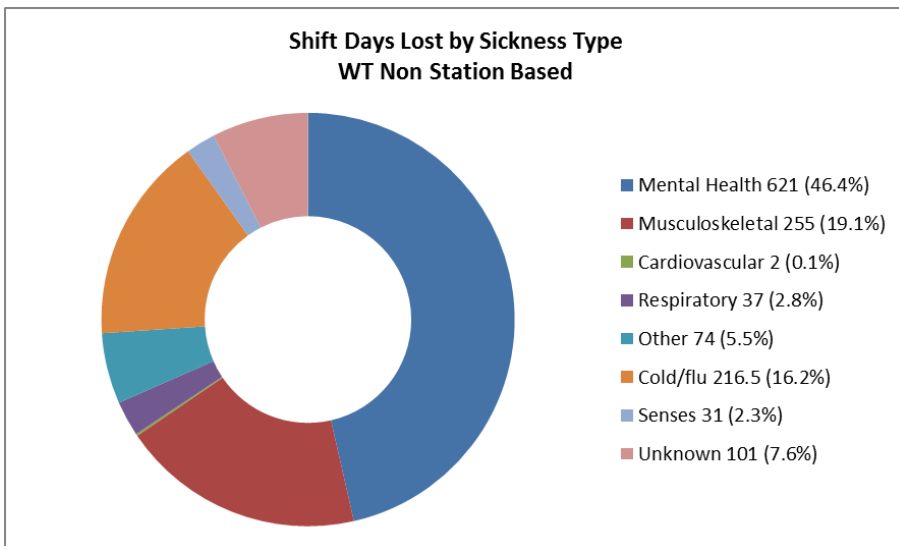
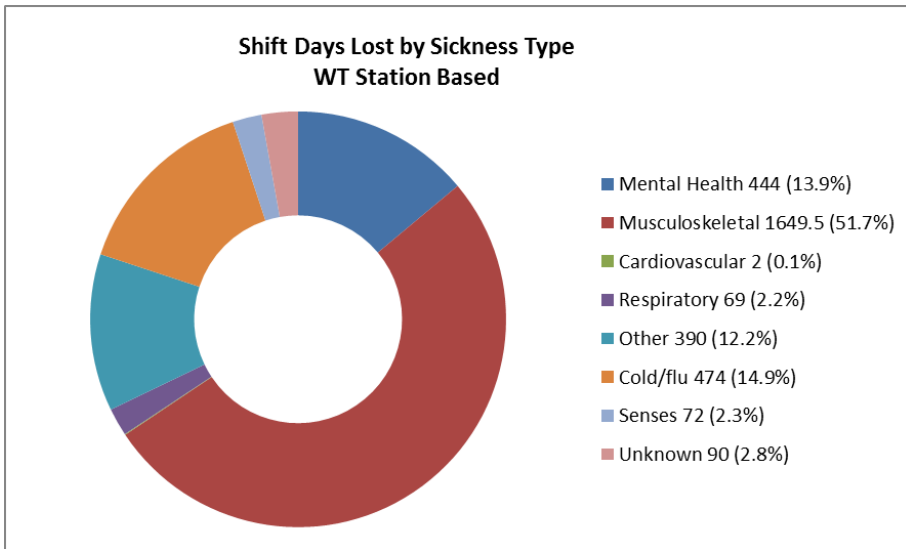
2.8 The two most common reasons for sickness across all staff are mental health and musculoskeletal problems and this reflects the national position. These charts have not changed significantly since the last HRMD Committee meeting.

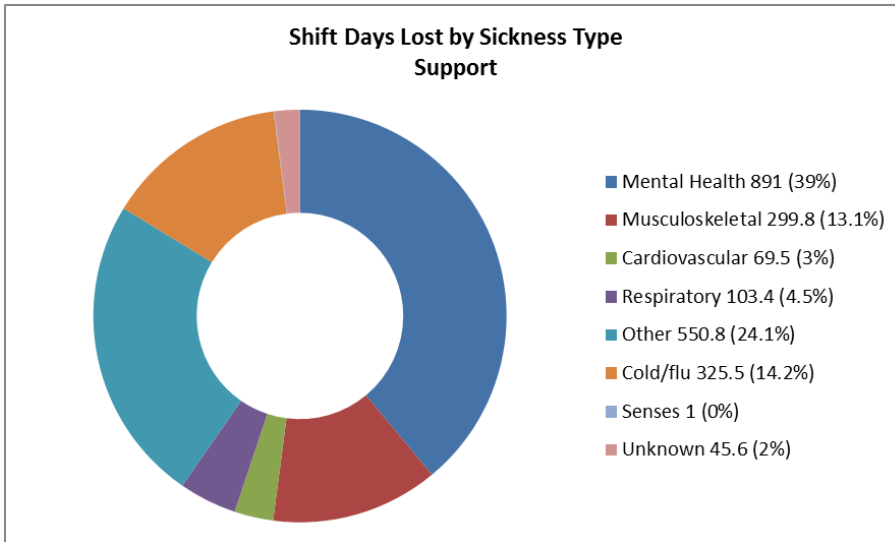
**2017/18 Year to Date Reasons for sickness for each staff category**

**Shift days lost by sickness type (Wholetime – Station & Non-Station based, Support Staff & Control):**

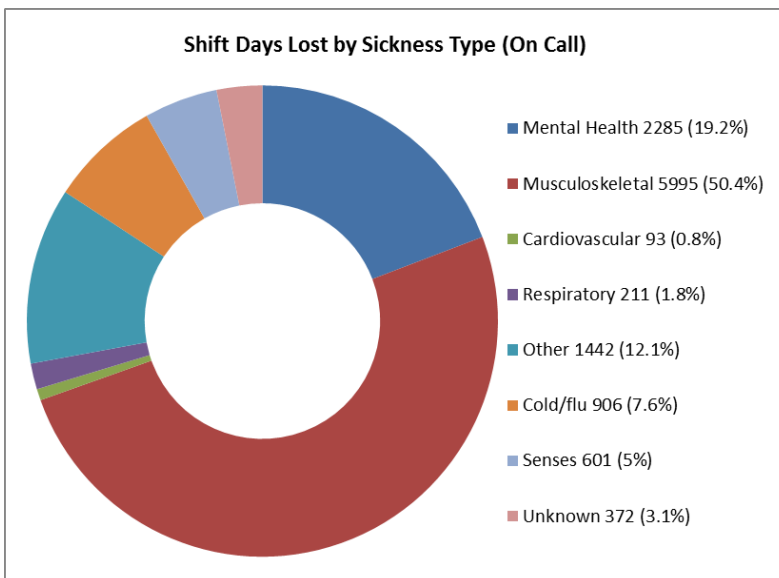


**Shift days lost by sickness type (split by post type):**





**Shift days lost by sickness type – On-Call Staff:**



**3. ABSENCE MANAGEMENT POLICY**

3.1 The Service has prepared a top-level review which has a number of recommended areas to focus on which included the Absence Management Policy and associated guidance. The policy has been written with input from the Trade Unions and has been well received as a policy that will support staff in achieving high levels of attendance at work and promoting the health, safety and wellbeing for all our staff. The policy will also support managers in dealing fairly, consistently and constructively with attendance issues.

3.2 The policy has a main document which is an over-arching policy and procedure and covers the overall processes. There is then more detailed guidance provided in separate mini-guidance documents covering the following areas which are normally the specific detailed information that managers or employees will require:

- Sick Pay Management Guidance;
- Monitoring & Managing Short Term Sickness Absence;
- Monitoring & Managing Long Term Sickness Absence & Permanent Ill Health.

- 3.3 The policies cover all the key aspects which would be expected from a best practice policy including:
- the support for staff;
  - the processes and attendance standards involved in the management of sickness absence;
  - formal processes for dealing with cases of where there are persistently high levels of reoccurring absence; and
  - processes to support staff through long-term ill-health which may involve returning on restricted duties and could lead to redeployment or adjustments to the workplace or ill-health retirement or capability dismissals.

3.4 The guidance also covers how to support staff with terminal illnesses.

#### 4. **CONCLUSION**

4.1 This paper contains the standard measures of performance that are provided as part of this standing item.

**PETE BOND**  
**Director of Service Improvement**



# Agenda Item 5

<b>REPORT REFERENCE NO.</b>	<b>HRMDC/18/24</b>
<b>MEETING</b>	<b>HUMAN REOSURCES MANAGEMENT &amp; DEVELOPMENT COMITTEE</b>
<b>DATE OF MEETING</b>	<b>3 JULY 2018</b>
<b>SUBJECT OF REPORT</b>	<b>SICKNESS ABSENCE MANAGEMENT</b>
<b>LEAD OFFICER</b>	<b>DIRECTOR OF SERVICE IMPROVEMENT</b>
<b>RECOMMENDATIONS</b>	<i>That the report be noted.</i>
<b>EXECUTIVE SUMMARY</b>	<p>This report provides a review of sickness absence in Devon &amp; Somerset Fire &amp; Rescue Service (DSFRS), from a number of perspectives. It has been compiled by a cross-departmental team from Human Resources, Organisational Development, Business Intelligence Hub, Audit and Review and Service Delivery, looking at sickness absence using trend analysis and from policy, process and cultural perspectives.</p> <p>The Committee is asked to endorse the actions that have been identified within paragraph 6.3 of this report to support identified improvements.</p>
<b>RESOURCE IMPLICATIONS</b>	Sickness is estimated to have cost this Service around £11.6 million over the last 10 years.
<b>EQUALITY RISKS AND BENEFITS ANALYSIS (ERBA)</b>	None undertaken as yet.
<b>APPENDICES</b>	None
<b>LIST OF BACKGROUND PAPERS</b>	None

## 1. **INTRODUCTION**

- 1.1 The Service recognises that employee absence has a significant cost to the organisation and is therefore something that needs to be measured, understood and addressed. Absence levels are a key measure as they affect the efficiency and the effectiveness of the Service.
- 1.2 The Service performance for Absence Management has been included as a standing item on the Human Resources Management & Development Committee agenda since the formation of the combined Service in 2007.
- 1.3 In support of this standing item, this review of Sickness Absence serves to present key findings and aspects for consideration.
- 1.4 Main areas of analysis have included:
- analysing the sickness statistics and seeking underlying patterns and causation;
  - estimating the impact of sickness in terms of cost and staff availability;
  - mapping the sickness absence reporting process and identifying areas that might offer opportunities for improvement;
  - understanding possible sick pay arrangements which are potential barriers to our objective of enabling staff to return to work as quickly and safely as possible; and
  - considering our overall performance and any cultural aspects.

## 2. **DATA ANALYSIS**

- 2.1 The following aspects of data have been analysed:
- Trends in data: 2, 3, 5 and 10 year trends
  - Comparison of long term, short term certified and short term uncertified absence
  - Main causes of absence.
- 2.2 The key observations from this analysis are as follows:
- The total sick days per Full Time Equivalent (FTE) has a downward trend for both 2 year, 3 year and 10 year periods, but an upward trend for the 5 year period.
  - Long-term sickness (over 28 days) has an upward trend for both 2 year, 5 year and 10 year periods, but a downward trend for the last 3 year period. There is a significant upward trend in long-term sickness for the last 5 year period, suggesting that the upward trend in the total number of sick days in the last 5 year period has likely been caused predominantly by this increase in long-term sickness.
  - With the exception of a marginal trend increase in short-term certified sickness over the last 5 year period, all short-term certified and short-term uncertified sickness has shown a downward trend over the last 2 year, 3 year, 5 year and 10 year periods.

- There has been a significant upward trend in the rate of staff being absent for mental health reasons over the last 10 years. Cold/flu and musculoskeletal categories both show a marginal downward trend as the reason for absence over the last 10 years.
- The majority (59%) of sickness episodes last between 2-7 days.
- The most likely reason for uniformed staff to be off sick is for musculoskeletal reasons whereas for support staff, the most likely reason is mental health.
- For 62.1% of all sickness episodes reported, there have been no previous sickness episodes (triggers) reported by that individual in the last 12 months. However looking at long-term sickness alone, for 54.4% of cases, there was at least 1 previous incidence of sickness in the last 12 months before the long-term sickness commenced.
- Overall, Monday is the most likely day for a sickness episode to begin, for both short-term and long-term sickness. However, this is much more predominant with support staff, than station based staff.
- The majority of sickness episodes start in January, closely followed by December and then November. August is the least likely time to start a sickness episode (perhaps because many people are on annual leave at that time).

#### Cost and availability

- 2.3. Sickness is estimated to have cost this Service around £11.6 million over the last 10 years. The main sickness categories contributing to this total are:
- musculoskeletal - 31.5% (£3.6 million);
  - mental health - 27% (£3.1m);
  - cold/flu - 11.5% (£1.3m); and
  - back/spine - 10.5% (£1.2m).

#### Benchmarking

- 2.4. Cleveland Fire Brigade produces a quarterly occupational health performance report. This report collates information from all English fire services that choose to take part and provide their data, to allow meaningful comparisons and benchmarking to take place.
- 2.5. The most recent report covered the period April 2017 – Dec 2017. A summary of the findings are:
- The Service is recording a sickness rate just under the national average for the number of days/shifts lost to sickness per person for wholetime firefighters;
  - The Service is recording a sickness rate higher than the national average for the number of days/shifts lost to sickness per person for Fire Control personnel;
  - The Service is recording a sickness rate just at the national average for the number of days/shifts lost to sickness per person for Support staff.

### 3. **SICKNESS ABSENCE PROCESS ANALYSIS**

- 3.1 The Service has a prescribed process for reporting and managing sickness, both for short-term and long-term absences. Analysis of this process has revealed a number of areas that may have an impact on individuals and their ability to return from a period of sickness as soon as possible. These areas are noted in paragraphs 3.2 to 3.13 below.

#### Investigations

- 3.2. There is anecdotal evidence to suggest that staff who have put in a grievance, are under a disciplinary investigation or have been suspended are often off sick as a result. Regardless of the outcome of the investigation, it often takes a while for staff to feel well enough to return to work.
- 3.3 The length of time it takes to complete investigations (disciplinary, grievance or suspensions) appears to be having a significant impact on returning people to work. It is felt that by dealing with investigations as swiftly as possible, the stress to the employee would at least be minimised.
- 3.4 In addition to the above there is anecdotal evidence to suggest that, even when an investigation has been concluded, there are often delays in employees being told the outcome of investigations that have been raised by them or levied against them.

#### Line management issues

- 3.5 For employees who are off sick with work related stress relating to their line manager, there is not always an option for them to report to another manager, even initially.
- 3.6 The line manager has a great deal of responsibility in supporting and recording an individual's sickness absence. Currently there are inconsistencies in how managers deal with this. Anecdotal evidence suggests that, whilst some managers are very good at agreeing and keeping contact with individuals through their sickness absence, this is not done consistently which is causing anxiety to some employees and impacting on their ability to return to work. Contact should be agreed between the line manager and the individual, and maintained regularly throughout sickness absence - particularly when the absence is longer than 8 days. Currently the Service is unable to report on the level of contact maintained. Contact is recorded on the Workbench using plain text, so individual records can be scrutinised to check contact – but only if the Workbench is kept up to date.
- 3.7 Some managers have a lack of understanding of mental health issues and are not equipped/do not feel able to support staff with a mental health diagnosis, whether they are still at work, off work or in the process of returning to work. Staff are often aware of this, making their return to work after a mental health related absence even harder.
- 3.8 It is also felt that there should be more training and support for managers at all levels around having difficult conversations, making difficult decisions, supporting employees through their illness/absence and dealing with the complexities of sickness absence. This needs to be supported at an organisational level in terms of clear and consistently applied policies and procedures.

### Support for return to work

- 3.9 Consideration should be given to how managers can facilitate an employee's return to work, particularly after long term absence. Anecdotal evidence suggests that many returning from long term absence feel a high level of anxiety about returning to work. Suggestions to ease this are:
- Inviting the employee in for a short coffee break before their return so they can meet up with the team. By doing this the employee has the option to leave whenever they wish to and it can make the first day back at work easier;
  - For the manager to speak to the employee before they come back to work to discuss what support the employee needs from their manager, their team and Service on their return to work. This will vary for each individual - what works for one person may not work for another. This could also help the team feel comfortable that they know how to best support a colleague on their return to work;
  - Where others have been temporarily promoted to cover long term absence, it is felt that careful advance planning is needed, with meetings planned to discuss how the handover will run and who will do what for any phased return. Anecdotal evidence suggests that this is not currently happening in all cases, and is causing concern both prior to an employee's return and after their return to work.

### Limitations with the sickness app

- 3.10 Managers feel that there are limitations with the sickness app as follows:
- Once someone returns from sickness all the notes on the app are lost;
  - The app does not include restricted working;
  - The app does not enable management reports to be produced to support the review of sickness/restricted duties cases
  - The app does not allow you to change an entry if a mistake has been made once something has been entered.
- 3.11 Although the sickness app provides valuable information, it does not provide the detail necessary to support managers dealing with specific issues, including long term sickness information.

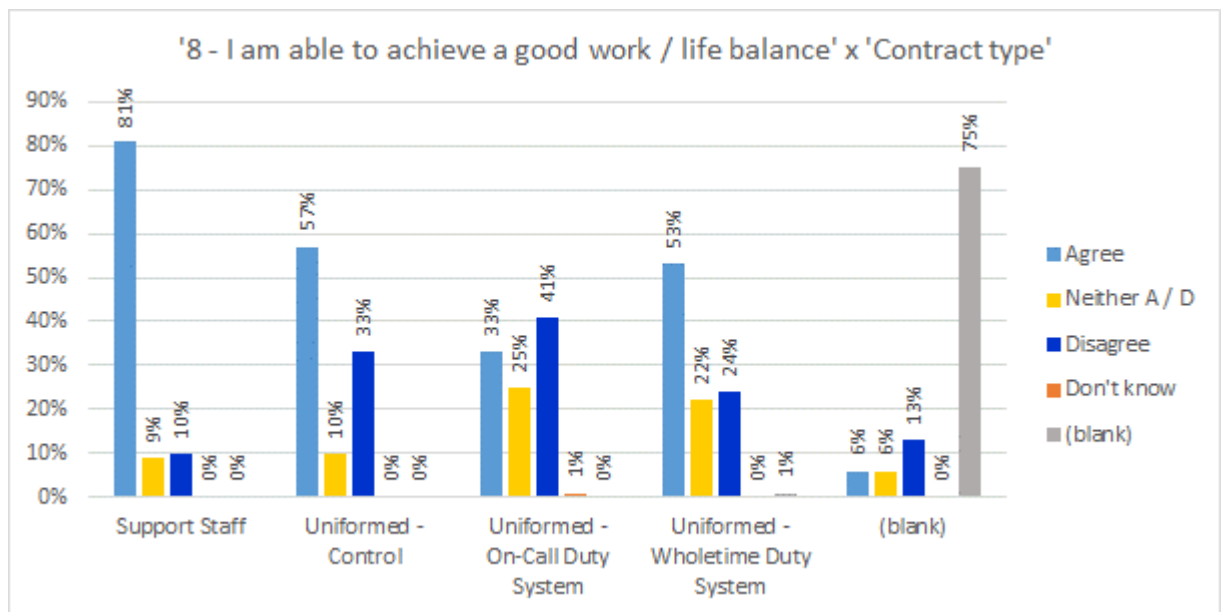
### Other issues

- 3.12 Frequent changes in line management make the handling of long term absence challenging. It can be difficult for a line manager to take ownership and at times, there is an over-reliance on the Human Resources (HR) department that is sometimes seen as the 'consistent force'. Anecdotal evidence would suggest that parts of the process are seen by employees as formal and impersonal – for example letters sent around Occupational Health referrals and changes to pay. These are currently controlled by HR and are therefore necessarily generic as HR will not be aware of the intricacies of each case and the individuals involved.
- 3.13 There needs to be recognition that each sickness case is personal and a case on its own, and involves dealing with people at their most vulnerable – which makes it complex to manage.

#### 4. **CULTURAL ANALYSIS**

##### Staff survey results and correlation to sickness absence

- 4.1 A full, themed analysis of the Staff Survey requires an element of resourcing that has not been available recently due to competing workloads. The analysis will be taking place in the near future.
- 4.2 An initial analysis of the staff survey results indicates an area where further research would be useful is regarding employee satisfaction with work life balance. It would be interesting to see if the contract types with higher dissatisfaction also have the highest sickness levels - particularly stress. Please refer to the graph below.



#### 5. **POLICY ANALYSIS**

##### On Call Sick Pay and Returning on Restricted Duties

- 5.1 For On-call staff who are sick, they are entitled to receive 'full-pay' calculated as a normal daily payment.
- 5.2 Historically, where a member of On-call staff returns from sickness they have been paid for the activity they undertake so if they return on restricted duties and are unable to attend incidents they would see a reduction in the level of their pay from when they were off sick.
- 5.3 To overcome this, the Service has committed to the maintenance of the normal daily rate when an employee returns from authorised sick leave to restricted duties. This ensures that there is no reduction in pay should the employee move from being designated sick to restricted duties.
- 5.4 There are several advantages to this approach:
- Staff will be able to return to work earlier without being financially penalised.
  - Staff will feel more supported by the Service.

- The quickest way to recover from sickness is considered to be within the workplace.
- Staff who remain off sick on a long-term basis are statistically known to have less chance of returning to full employment.

#### Firefighter Fitness Requirements

- 5.5 The Service has sought to maintain the fitness levels of firefighting staff in accordance with national guidance for a number of years. The main issues identified are the inflexibility of current testing arrangements with regards to different body types and physiologies that naturally occur between individuals.
- 5.6 During 2017, the Service took part in a national project to trial a vocational fitness test developed by University of Bath sports scientists that has sought to replicate the types of activity commonly required of firefighters at operational incidents.
- 5.7 The initial results of this project indicate that this approach provides a better measure of the fitness required to be a firefighter but may still disadvantage certain physiologies. Culturally the vocational test has proved extremely popular with staff which would indicate a greater willingness to participate in fitness activity in order to pass the test.
- 5.8 The overall results are now being collated and further analysis of these will be required in order for the Service to determine how to progress firefighter fitness testing.

#### 6. **CONCLUSION**

- 6.1 This analysis of sickness absence and the associated management procedures has enabled a rigorous review of previous performance and areas for the Service to consider improving for the future.
- 6.2 It is clear that the welfare of all staff is a primary concern both for the individual and for the overall productivity of the organisation.
- 6.3 Following this analysis, the following actions have been agreed to support identified improvement:
- A review of management training needs and provision for dealing with sickness and performance is undertaken, supported by clear and consistently applied policies and procedures.
  - A review of the way investigations are completed is undertaken.
  - A mental health task and finish group under the Strategic Health and Safety Committee is established.
  - Further analysis of staff survey results is undertaken to ascertain any correlations between the results and sickness absence
  - The sickness absence management policy is reviewed and updated.
  - The recommendations from the pilot of the Vocational Fitness Test be considered in supporting further sickness absence management.

**ACFO PETER BOND**  
**Director of Service Improvement**

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# Agenda Item 6

<b>REPORT REFERENCE NO.</b>	HRMDC/18/25
<b>MEETING</b>	<b>HUMAN RESOURCES MANAGEMENT &amp; DEVELOPMENT COMMITTEE</b>
<b>DATE OF MEETING</b>	3 JULY 2018
<b>SUBJECT OF REPORT</b>	<b>PENSION DISCRETIONS – FIREFIGHTERS’ PENSION SCHEME</b>
<b>LEAD OFFICER</b>	Director of Finance (Treasurer)
<b>RECOMMENDATIONS</b>	<p><i>That the Devon and Somerset Fire and Rescue Authority be recommended to approve the following changes to the Authority’s Pensions Discretions Policy:</i></p> <p><i>(i) that the upper age for Injury Retirements medical reviews are aligned to that of Ill-health Retirements as set out at paragraphs 2.7 and 2.8 of this report; and</i></p> <p><i>(ii) that a Voluntary Schemes Pays arrangement is introduced for the payment of pension Annual Allowance tax liabilities, but applicable only in one (or both) of those circumstances as identified in paragraph 3.11 of this report.</i></p>
<b>EXECUTIVE SUMMARY</b>	<p>The Authority is the Scheme Manager for the firefighters’ pension schemes and any changes to pension arrangements require Authority approval.</p> <p>This paper details two such changes. The first proposed change being in relation to the upper age for Injury Retirement medical reviews. The second proposed change being for the payment of employees’ pension tax liabilities through a ‘Voluntary Scheme Pays’ arrangement, whereby the employee has a reduction in the value of their pension benefits to cover the cost of any tax payments to HMRC.</p>
<b>RESOURCE IMPLICATIONS</b>	<p>Provided that the LGA guidance is followed in respect of expenditure on Voluntary Scheme Pays arrangements, costs will be met in full by the Home Office and will be reimbursed to the Authority via the Pension Top-Up Grant.</p> <p>Medical Reviews could result in changes to pension payments which for injury pensions are funded from the Service revenue budget.</p>
<b>EQUALITY RISK &amp; BENEFITS ASSESSMENT</b>	<p>Given the reduction in the Annual Allowance, the potential increased tax liability faced by employees on promotion could dissuade individuals from applying for promotion. A Voluntary Scheme Pays arrangement would alleviate this problem to some extent with no financial risk to the Authority.</p>
<b>APPENDICES</b>	A. Local Government Association Briefing Note ‘Voluntary Scheme Pays’ in the Firefighters’ Pension Schemes.
<b>LIST OF BACKGROUND PAPERS</b>	Nil.

## **1. INTRODUCTION**

- 1.1 The Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015 came into force on the 1st April 2015 and amended the Firefighters' Pension Scheme Regulations to create new governance provisions. These include the introduction of a Local Pension Board and clarification that Devon & Somerset Fire & Rescue Authority is the Scheme Manager for the Firefighters' Pension Schemes. Any key changes to the allowable discretions regarding pension arrangements need to be approved by the Authority; this paper details two such changes.
- 1.2 The first change is in relation to the upper age for Injury Retirement medical reviews. This is where an operational firefighter has had an injury whilst on duty and it is recognised as a qualifying injury under the Firefighters' Compensation Scheme. This will result in the firefighter retiring early. In such cases, the firefighter will then be subject to periodic medical reviews following retirement to determine whether the degree of disablement has altered substantially or the disablement from the qualifying injury has ceased. If the degree of disablement has altered substantially, then the award is adjusted accordingly. If the disablement has ceased then the pension is stopped. The reviews should take place at defined intervals up to an upper age limit which the Authority should determine. In addition to Injury Retirement medical reviews there are also Ill-health Retirement reviews, for which the upper age is set out within the various Firefighter Pension Schemes. This report is proposing that the upper age limit for Injury Retirement medical reviews is aligned to that of Ill-health Retirement medical reviews.
- 1.3 The second proposed change is in relation to the pension Annual Allowance, which sets a maximum level that an individual's pension benefits can increase each year before incurring a personal tax liability. Where this limit is exceeded, an employee may pay the resultant tax liability through their pension scheme, the costs being recovered through reduced pension benefits. This is referred to as the Mandatory Scheme Pays provision. However, there are circumstances where the Mandatory Scheme Pays provision does not apply and in these circumstances a Voluntary Pay Schemes policy can be applied in the same way, if agreed by the Authority as the Scheme Manager.

## **2. INJURY RETIREMENTS**

- 2.1 The Authority has previously undertaken an exercise with the National Fraud Initiative in relation to reviewing such cases where an injury award had been paid. This was necessary as nationally, it was found that some pensioners were receiving state benefits as well as a firefighter's injury award. If this was the case then the pensioner was required to inform the fire and rescue authority and an adjustment would then be made to the injury pension which was paid.
- 2.2 The matter of Injury Retirements was raised during an audit of Peninsula Pensions (which provides daily administration of the firefighters pensions schemes on behalf of the Authority) undertaken for the Authority by the Devon Audit Partnership (DAP). DAP considered a number of specific areas and found that Injury retirements was an area requiring improvement. DAP's concern was that the listing held by the Service did not in every case state when the next review was due to take place.
- 2.3 As a separate matter, the review period has also been raised by the Fire Brigades Union (FBU), the Retained Firefighters Union (RFU) and also by an existing pensioner with legal representation. Each of these parties believe the Authority is continuing to review injury cases beyond the required period.

- 2.4 Injury Retirements are as a result of an injury on duty which is considered as a qualifying injury. The Authority has previously established that for injury pensioners the medical review should be on the second and fifth anniversary of the injury retirement and then every five years up to their 65<sup>th</sup> birthday, unless more regular re-examination periods are recommended by an Independent Qualified Medical Practitioner (IQMP). This decision was made in August 2010 when the Authority was responding to the requirements of the National Fraud Initiative.
- 2.5 Within the Authority's Firefighters' Pensions Discretions Policy, a range of pension legislation is referred to in relation to the 'Discretions on awards, associated review periods and adjustments'. However, an upper age for Injury Retirement medical reviews is not stipulated.
- 2.6 The Firefighters' Compensation Scheme sets out that a fire and rescue authority will periodically review injury awards occasioned by a qualifying injury to consider whether the degree of disablement has substantially altered or the disablement has ceased. The reviews should take place at intervals determined by the authority, which also has a discretion to decide that a particular case need not be reviewed if five years have passed since the injury award first became payable. If the degree of disablement has altered substantially, then the award is adjusted accordingly. If the disablement has ceased then the pension is stopped. In addition to Injury Retirement medical reviews there are also Ill-health Retirement medical reviews.
- 2.7 Ill-health Retirement medical reviews are dependent on a maximum review period of up to 10 years after retirement with the Authority having the discretion to review at intervals as appropriate. The Authority's position is that such ill-health medical reviews are at periods recommended by the IQMP.
- 2.8 The reviews also have a maximum age that is specific to the scheme:
- for the 1992 Scheme it is age 60;
  - for the 2006 Scheme it is state pensionable age; and
  - for the 2015 Scheme it is state pensionable age.
- 2.9 Currently, Injury Retirement medical reviews can continue beyond normal retirement age (eg for the FPS 1992) which can cause significant stress to the pensioner and creates additional work for the Service that is considered to be unnecessary. Consequently, it is proposed that the age limits for Injury Retirement medical reviews are aligned to the same age limits for Ill-health Retirements, which are set by the relevant pension scheme regulations. Within these age limits, Injury Retirement medical reviews would continue to be undertaken at periods recommended by the IQMP. The maximum review period of 10 years which is used for Ill-health medical reviews would not be applied to Injury medical reviews.

### 3. **VOLUNTARY SCHEME PAYS**

#### ***Introduction – Annual Allowance and Annual Allowance Tax Charge***

- 3.1 The Annual Allowance is the maximum amount of tax exempt pension savings, from all registered pension arrangements, that can be built up in one tax year. Tax is usually paid if savings in the individual's pension increase by more than the Annual Allowance, currently £40,000 a year (reduced over the last six years from an initial £255,000).

- 3.2 Any increase in value of pension and lump above the Annual Allowance is subject to the Annual Allowance tax charge. The Annual Allowance tax charge will be at the individual's highest rate of tax. In a defined benefit scheme, such as the Firefighter's pension scheme, the increase in the value of the retirement benefits each year is used to calculate how much of the annual allowance the scheme uses. The calculation is complex, taking the opening value, the closing value and then the difference between the two amounts.
- 3.3 The way the Annual Allowance calculation works means that even a middle earning employee who receives a significant promotion or pay rise has the potential to be affected by the Annual Allowance tax liability.

#### ***Mandatory Scheme Pays***

- 3.4 An individual so affected by the Annual Allowance tax liability can choose to pay the tax charge from their own personal finances. The Finance Act 2004 provides, however, that a pension scheme must provide a "Scheme Pays" facility (where the scheme pays the tax charge and recovers this amount from reduced pension benefits to the individual) subject to the following conditions being met:
- the Annual Allowance limit (currently £40,000) has been exceeded; and
  - an Annual Allowance tax charge exceeding £2,000 has been triggered; and
  - the individual concerned has elected for the Scheme Pays facility within relevant timescales.

This is referred to as "Mandatory Scheme Pays" (MSP) and has been used with the firefighters' pension schemes since 2012.

#### ***Voluntary Scheme Pays***

- 3.5 Recent changes to taxation rules mean that some high-earning members with an income in excess of £150,000 per annum are now subject to a Tapered Annual Allowance. This reduces from £40,000 to £10,000 incrementally for those earning between £150,000 and £210,000 per annum. Members who are subject to a Tapered Annual Allowance will incur an Annual Allowance tax charge where their pension growth exceeds their Tapered Annual Allowance. As a result of the condition identified at paragraph 3.4(a) above, however, any member who has a Tapered Annual Allowance of less than the £40,000 Annual Allowance limit cannot use the Mandatory Scheme Pays provisions for payment of the resultant tax charge.

- 3.6 The relevance of this is that, with the introduction of the 2015 Firefighters' Pension Scheme ("the 2015 Scheme"), any member of the 1992 Firefighters Pension Scheme and the 2006 Firefighters' Pensions Scheme who has transferred into the 2015 Scheme on or after 1 April 2015 will be, effectively, members of two pension schemes and will see pension benefit growth in both schemes until retirement. By virtue of this accruing pension growth across two rather than one pension scheme, there is an increased likelihood for some members that their total annual pension growth will exceed the £40,000 Annual Allowance limit, thereby making them subject to the Tapering Annual Allowance. Where the Tapered Annual Allowance is less than the £40,000 Annual Allowance limit, the member concerned cannot use the Mandatory Scheme Pays provisions to meet the resultant tax charge.
- 3.7 Where a member does not meet the conditions for Mandatory Scheme Pays to apply a scheme may determine to pay the members taxation charge on a voluntary basis – referred to as Voluntary Scheme Pays. At a meeting in March 2017 the Firefighters Scheme Advisory Board considered and agreed a proposal from the Home Office to amend Firefighter Pension Regulations to allow for Voluntary Scheme Pays to apply in certain circumstances. This is, though, only a proposal at this stage and still requires legislative change.
- 3.8 In the interim, it is for fire and rescue authorities to consider their approach to this issue, ensuring that what they do is both lawful and appropriate. To this end, the Local Government Association has commissioned legal advice on whether fire and rescue authorities may lawfully and appropriately offer Voluntary Scheme Pays without an amendment to the Firefighter Pension Regulations. This legal advice is contained in the briefing note produced by the Local Government Association and attached as Appendix A to this report.

#### ***Summary of LGA Legal Advice***

- 3.9 The legal advice indicates that, to operate Voluntary Scheme Pays, there are two different steps:
1. Firstly, the Authority needs to pay the annual allowance charge to HMRC on behalf of the scheme member; and
  2. the Authority then adjusts the member's benefit to reflect this payment.
- 3.10 The legal advice is that the Authority can undertake (1) above by virtue of the general power of competence, inserted as Section 5 of the Fire & Rescue Services Act 2004 by Section 9 of the Localism Act 2011. The legal advice also indicates that the Registered Pension Schemes (Modification of Scheme Rules) Regulations 2001 allow for (2) i.e. for the Authority, as Scheme Administrator, to recover from a scheme member any annual allowance charge paid by the Authority to HMRC on behalf of that member.

- 3.11 The advice also indicates, however, that the power of general competence must be exercised reasonably and that this would be reasonable in the following circumstances (as proposed by the Home Office and agreed by the Scheme Advisory Board):
- where access to the Voluntary Scheme Pays arrangement for transitional members with service in one of the 1992 or 2006 Schemes and the 2015 Scheme would be the same as the access a protected 1992 or 2006 scheme member, or a member with service only in the 2015 Scheme, would have to the Mandatory Scheme Pays arrangement;
  - or where access to the Voluntary Scheme Pays arrangement is afforded to those Scheme members where the pension growth in one or more schemes is more than their own tapered Annual Allowance limit but less than the £40,000 Annual Allowance
- 3.12 The legal advice goes on to state that any fire and rescue authority wishing to make a Voluntary Scheme Pays arrangement for reasons other than the two listed at paragraph 3.11 above should consider whether to do so would represent a reasonable exercise of its powers.
- 3.13 Firefighter's pension costs, excluding Injury on Duty and Ill Health Pensions which are funded by the Authority, are reimbursed annually via a Top Up Grant from the Home Office. Therefore, there will be no cost to the Authority of implementing the Voluntary Scheme Pays Policy.

### ***Proposal***

- 3.14 Given the legal advice as set out above, it is proposed that the Authority should introduce a Voluntary Scheme Pays arrangement but applicable only in one (or both) of the two circumstances as identified in paragraph 3.11 above.

### **CONCLUSION**

- 4.1 This report deals with two issues relating to the administration of Firefighters Pensions Schemes. The first addresses a proposal, stemming from an audit undertaken by the Devon Audit Partnership, to harmonise the upper age limits for medical reviews to be undertaken for both Injury and Ill-Health Retirements.
- 4.2 The second issue deals with the introduction of a Voluntary Scheme Pays arrangement. The question of whether a fire and rescue authority has the power to introduce such an arrangement has been the subject of legal advice commissioned by the Local Government Association. Provided that the LGA guidance is followed, then the Authority should have the powers to introduce such an arrangement, with any subsequent costs incurred being reimbursed to the Authority by the Home Office via the Pension Top-Up Grant.

**AMY WEBB**  
**Director of Finance (Treasurer)**

# ‘Voluntary Scheme Pays’ in the Firefighters’ Pension Schemes.

## Background

### Mandatory Scheme Pays (‘MSP’).

1. Individuals whose annual growth in pension savings during the Scheme’s ‘Pension Input Period’ exceeds **HMRC’s standard Annual Allowance Limit (‘HMRC AA Limit’)**, currently set at £40,000, and who have no unused Annual Allowance to carry forward from the previous three tax years will be subject to an **Annual Allowance tax charge (‘AA tax charge’)**.
2. The individual can pay the AA tax charge from their own personal finances, however, the Finance Act 2004 provides that a pension scheme must provide a ‘Scheme Pays’ facility<sup>1</sup> where all of the following qualifying conditions are met:
  - i. the HMRC AA limit (currently set at £40,000) has been exceeded in the pension scheme that the Scheme Pays election is made; and
  - ii. an AA tax charge exceeding £2,000 has been triggered; and
  - iii. the relevant time limits for making an election have been met.

### Voluntary Scheme Pays ‘VSP’

3. Where a member does not meet the conditions for Mandatory Scheme Pays ‘**MSP**’ to apply or they do not make their nomination in time then a scheme may decide to pay the member’s annual allowance charge on a voluntary basis ‘**VSP**’.
4. Changes to the tax rules now mean that some high earning members with income of more than £150,000 per annum are now subject to a **Tapered Annual Allowance (‘tapered AA’)** which reduces from £40,000 to £10,000 incrementally for those earning between £150,000 and £210,000 per annum.

Members who are subject to a tapered AA will incur an AA tax charge where their pension growth exceeds their tapered AA. The tapered AA will be lower than the £40,000 HMRC AA limit and therefore these members cannot use MSP to pay this charge.

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<sup>1</sup> A scheme pays facility works by having the pension fund pay the member’s tax charge initially. This is then repaid by the member as a debit is added to their pension once it comes into payment.

5. With the introduction of the 2015 Scheme, members of the 1992 Firefighters' Pension Scheme ('1992 Scheme') and 2006 Firefighters' Pensions Scheme ('2006 Scheme') who have transferred into the 2015 Scheme on or after 1 April 2015 will effectively be members of two pension schemes and will see pension benefit growth in both schemes until retirement:

By virtue of accruing their pension growth across two rather than one pension scheme, there is an increased likelihood that although the member's total annual pension growth across both schemes may exceed £40,000, the pension growth in any one of the schemes may fall short of the HMRC AA limit. As such, they will not be eligible to use MSP to pay the AA tax charge.

### **Home Office Proposal**

6. At their meeting of 6<sup>th</sup> March 2017, the Firefighters Scheme Advisory Board considered and agreed an initial proposal from the Home Office to amend the Firefighter Pension Regulations to allow the charge to be met in the circumstances below using Voluntary Scheme Pays (**VSP**)
  - (i) transitional members with pension growth of over £40,000 across both schemes (HMRC AA limit) and a corresponding tax charge, to use the scheme to pay this cost initially, before it is repaid by a pension debit added to the member's pension when it comes into payment
  - (ii) members subject to a tapered AA, to use the scheme to pay their charge initially and then this be repaid via a pension debit. For this option, it is also recommended that the member should be required to make an initial contribution of £2,000 from their own finances towards the resultant AA tax charge.
7. It is now for the Home Office to seek the new administration's views on the proposal after the General Election. Assuming this is taken forward the working assumption is that these changes would be introduced via an amendment to the pension scheme regulations rather than guidance. Legislative amendments take time and therefore will not be introduced in the short term.
8. **It is important to note that this is simply a proposal at this time and is not a guarantee that legislation will change. It will be dependent on a number of factors.**
9. Therefore unless or until that legislation is introduced it is for the FRA to consider their approach to this issue ensuring that what they do is both lawful and appropriate.



## Can an FRA operate Voluntary Scheme Pays?

10. This note therefore considers whether FRAs have the ability to offer **Voluntary Scheme Pays 'VSP'** without an amendment to the Firefighter Pension Regulations, and that it is both lawful and appropriate.
11. LGA has recently sought legal advice on behalf of English FRAs, in order to determine whether an FRA can offer voluntary scheme pays, without the need for a change to legislation.
12. **The legal advice was prepared solely for the Local Government Association ("LGA"). Sharing of this legal advice does not amount to a waiver of legal privilege by Eversheds Sutherland.**
13. To operate voluntary scheme pays there are two different steps.
  1. The first is for the Fire Authority to pay the annual allowance charge on behalf of the scheme member to HMRC
  2. The second is for the Fire Authority to adjust the members benefit to reflect the payment made by the administrator

### **Step 1 – Can the Fire Authority satisfy a member's annual allowance charge on a voluntary basis?**

14. The legal advice we have sought opines 'yes, we consider that it is possible for an FRA to operate voluntary "scheme pays"'.  
  
The instruction to Eversheds Sutherland from LGA was

"Does a FRA have the power to agree to voluntary "scheme pays", taking into account both the relevant provisions of the FPS Regulations and the FRA's general powers, and to pay the member's tax liability from the Firefighters' Pension Fund (the "FPF") maintained under the FPS Regulations?"

15. The short answer was 'yes' the longer answer (paraphrased) was 'yes because they have a power of general competence, which may be exercised reasonably where there are sufficient grounds for doing so'.

## 16. Extract from the 'executive summary' of the legal advice

3. In relation to the specific questions posed:

3.1 Yes, we consider that it is possible for a FRA to operate voluntary "scheme pays":

3.1.1 A FRA which is a county council in England can operate voluntary "scheme pays" relying on s.1 of the Localism Act 2011 and reg.2 of the Modification Regulations. It would be possible to construct an argument that the necessary powers are conferred by virtue of s.111 of the Local Government Act 1972, but the position is less clear-cut than under the Localism Act.

3.1.2 For those FRAs which are metropolitan county FRAs or created by Order as a combined FRA the power to operate such a scheme is derived from s.5A of the Fire and Rescue Services Act 2004 which was inserted by s.9 of the Localism Act 2011.

3.1.3 Where a FRA agrees to operate voluntary "scheme pays", it can properly pay the amount of the tax charge which is due to HMRC from its FPF without contravening the FPS Regulations.

## 17. Extract from the 'detailed advice' of the legal advice

3.2 First, as regards the question of whether a FRA may agree to meet a member's liability to the annual allowance charge, the arrangements for the administration of the FPS are set out in regulations which are complex in nature and very prescriptive. This is true of many areas of local government activity, and through the Localism Act 2011 the then Government introduced a means by which specific regimes can be supplemented by the exercise of a broad general power of competence for local authorities.

3.3 Those FRAs which are county councils may exercise this power to enter into the necessary arrangements with the member and HMRC. This power cannot be exercised where there is express prohibition of the action proposed. However, since there is no express prohibition of the action proposed here, the FRA may participate in such an arrangement.

3.4 The power of general competence, like all local authority powers, must be exercised reasonably. The FRA must be satisfied that there are sound reasons to make the payments and that the interests of the authority are not harmed by so doing.

3.5 We believe that there are sufficient grounds on which the authority could conclude that there are sound reasons for offering a voluntary "scheme pays" facility, given that (for instance) the effect of the recently introduced tapered annual allowance is that scheme members may now face a substantial tax charge without being able to access the mandatory "scheme pays" facility (because the latter provisions remain based upon the standard annual allowance). Similarly, the interests of the authority will not be harmed, provided that the authority is able to make a consequential adjustment under the Modification Regulations, because the payment will ultimately be met from the member's benefit entitlement, and because the authority will have discretion as to when to offer voluntary "scheme pays", meaning that the administrative burden of such arrangements can be retained within manageable bounds.

3.6 It should be noted that the Localism Act 2011 provisions apply only to English local authorities.

3.7 For those English fire and rescue authorities which are not county councils there is power in the Fire and Rescue Services Act 2004 to enter into voluntary "scheme pays" arrangements subject to the same principles and constraints as apply to county councils.

3.8 Section 5A of the Fire and Rescue Services Act 2004 was inserted by s.9 of the Localism Act 2011. This provides as follows:

***“Powers of certain fire and rescue authorities***

*(1) A relevant fire and rescue authority may do—*

*(a) anything it considers appropriate for the purposes of the carrying-out of any of its functions (its “functional purposes”),*

*(b) anything it considers appropriate for purposes incidental to its functional purposes,*

*(c) anything it considers appropriate for purposes indirectly incidental to its functional purposes through any number of removes,*

*(d) anything it considers to be connected with—*

*(i) any of its functions, or*

*(ii) anything it may do under paragraph (a), (b) or (c), and*

*(e) for a commercial purpose anything which it may do under any of paragraphs (a) to (d) otherwise than for a commercial purpose.*

*(2) A relevant fire and rescue authority's power under subsection (1) is in addition to, and is not limited by, the other powers of the authority.*

*(3) In this section “relevant fire and rescue authority” means a fire and rescue authority that is—*

*(a) a metropolitan county fire and rescue authority,*

*(b) the London Fire and Emergency Planning Authority,*

*(c) constituted by a scheme under section 2, or*

*(d) constituted by a scheme to which section 4 applies.”*

*[Sections 2 and 4 relate to combined FRAs.]*

3.9 Reliance upon s.111 of the Local Government Act 1972 requires the FRA to be satisfied that it is doing something “*which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions*”. The purpose of the incidental power is to enable actions to be taken in support of statutory functions, so it is necessary to identify the function before the authority can be said to be acting incidentally to it. The functions of a local authority acting as a FRA and as scheme administrator (for tax purposes) are defined by statute and regulation, and it can be argued that entry into a voluntary “scheme pays” arrangement is incidental or conducive to the performance of those functions (though the position is necessarily not as clear-cut as with the general power of competence under the Localism Act). Again, the test of reasonableness is to be applied.

**'Exercised reasonably where there are sufficient grounds for doing so'**

18. The power of general competence that allows an FRA to satisfy an annual allowance charge on a voluntary basis, must be exercised reasonably and the FRA must be satisfied there are sound reasons for doing so.
19. LGA consider that the circumstances below proposed by the Home Office and agreed by the Scheme Advisory Board should be considered as sound reasons.
- Transitional members with service in one of the 1992 or 2006 Schemes, and the 2015 Scheme, are able to access a VSP arrangement in the same way that a protected 1992 or 2006 scheme member, or a member with service only in the 2015 Scheme, can do so through Mandatory Scheme Pays.
  - Scheme members with a tapered annual allowance are able to use a VSP arrangement to pay a tax charge in a circumstance where the pension growth in one scheme (or more schemes) is less than the £40,000 general AA limit but more than their own tapered AA limit.
20. Any fire authority wishing to make a Voluntary Scheme Pays arrangement for reasons outside of the two listed are advised to consider whether to do so is a reasonable exercise of their powers and they would have sound reasons for doing so. For example they may not consider allowing a VSP arrangement for a member who would have been eligible for Mandatory Scheme Pays but did not notify the authority within the statutory limit to be a reasonable exercise of their powers.

**Step 2 - Can a fire authority adjust a members benefits to reflect the payment made?**

21. Having established that the fire authority has the vires in order to satisfy the members charge. The second question for consideration, is does the Fire authority have the power to adjust the members benefit (ie the scheme pays debit) to recover the charge?
22. The Modification of Scheme Rules [\[SI 2011/1791\]](#), Rule 2, Paragraph 2 allows for such an adjustment to be made to the pension (ie the scheme pays debit)

*2.—(1) This regulation applies where a scheme administrator of a registered pension scheme ("the scheme") satisfies all or part of a member's liability to the annual allowance charge, either on a voluntary basis or pursuant to a liability under section 237B of the Finance Act 2004(1).*

*(2) The rules of the scheme shall be modified so as to allow for a consequential adjustment to be made to the entitlement of the member to benefits under the scheme on a basis that is just and reasonable having regard to normal actuarial practice. This paragraph is subject to paragraph (3).*

*(3) Any modification to the scheme's rules made by virtue of paragraph (2) is subject to section 159 of the Pension Schemes Act 1993(2) or section 155 of the Pension Schemes (Northern Ireland) Act 1993(3) (inalienability of guaranteed minimum pension etc).*

23. The intent of this regulation is explicitly laid out in the explanatory memorandum paragraph 2.1

*This instrument provides that where a scheme administrator of a registered pension scheme satisfies an annual allowance charge on behalf of a member of the pension scheme from the member's pension benefits, any rules of the pension scheme which prevent such an adjustment to the member's pension benefits are modified to allow for such adjustments.*

#### **For the avoidance of doubt who is the 'scheme administrator'?**

24. The modification of scheme rules refers to the 'scheme administrator' for the avoidance of doubt, LGA sought legal guidance onto whom this refers in the case of a Fire Authority.

Does a FRA count as the "scheme administrator" for the purposes of reg.2(1) of The Registered Pension Schemes (Modification of Scheme Rules) Regulations 2011 (the "**Modification Regulations**"), taking into account the effect of The Registered Pension Schemes (Splitting of Schemes) Regulations 2006 (the "**Split Scheme Regulations**")?

25. The legal advice opines that the FRA in this case is the 'scheme administrator'.

4.1 Yes. The Split Scheme Regulations provide in reg.2(1)(a) that all registered pension schemes listed in Schedule 1 to the regulations are to be treated as "split schemes". Both the 1992 scheme and the 2015 scheme are listed by name, and although the 2006 scheme (the NFPS) is not expressly listed by name, it is clear that the intention is for the reference in Sch.1 to the "Firefighters Pension Scheme" to cover both the 1992 and the 2006 schemes, since reference is made expressly to s.34 of the Fire and Rescue Services Act 2004, which is the enabling legislation for the 2006 scheme.

4.2 On the basis that all three FPS schemes are to be treated as "split schemes", this therefore means that under reg.3(2) of the Split Scheme Regulations, in the provisions referred to in Schedule 3 to those regulations, "any reference to the scheme administrator shall be read as a reference to the sub-scheme administrator". Schedule 3 includes the Modification Regulations.

4.3 Under reg.1, the "sub-scheme administrator" for a split scheme is "the scheme administrator of a sub-scheme appointed in accordance with the rules of the split scheme to be responsible for the discharge of the functions conferred or imposed on the sub-scheme administrator by or under these Regulations".

4.4 In relation to the 2015 scheme, this is clearly the FRA as "scheme manager" for the purposes of the 2014 Regulations. Under reg.177 of the 2014 Regulations:

*"177 Scheme administrator for the purposes of the Finance Act 2004  
The scheme manager is appointed to be responsible for all liabilities and responsibilities connected with the functions conferred or imposed on the scheme administrator by or under Part 4 of FA 2004 which the scheme manager assumes as sub-scheme administrator under regulation 3 of, and Schedule 3 to, the Registered Pension Schemes (Splitting of Schemes) Regulations 2006."*

4.5 In relation to the 2006 scheme and the 1992 scheme, there is no explicit statement under either the 2006 Order or the 1992 Order confirming who is to act as scheme administrator for the purposes of the Finance Act 2004. However, given that under both sets of provisions, the FRA is expressly required to deduct tax / lifetime allowance charges which are due on any payments, it can be inferred that the intention was for the FRA also to be the scheme administrator for Finance Act purposes.

4.6 Therefore, a decision by a FRA to operate voluntary "scheme pays" would constitute a "scheme administrator" satisfying "all or part of a member's liability to the annual allowance charge" for the purposes of reg.2(1) of the Modification Regulations. As such, it would trigger the operation of reg.(2)(2), which would override the provisions of the FPS to the extent needed to make the "consequential adjustment" to the member's benefit entitlement.

## Summary

26. In certain circumstances, an individual cannot use Mandatory Scheme Pays 'MSP' to pay a relevant HMRC tax charge. This note considers whether an FRA can satisfy the tax charge on a members behalf using Voluntary Scheme Pays 'VSP'
27. The Home Office is considering amendment to the legislation that would allow an FRA to use 'VSP' in certain circumstances only. However, unless or until that legislation is introduced it is for the FRA to consider their approach to this issue ensuring that what they do is both lawful and appropriate.
28. Having taken Legal advice on behalf of FRA's, LGA can confirm that an FRA (including County Councils, combined Fire Authorities and Metropolitans) can offer Voluntary Scheme Pays arrangements in order to pay the tax bill where a member of the scheme cannot use mandatory scheme pays because they have a power of general competence, which may be exercised reasonably where there are sufficient grounds for doing so'.
29. It is considered that FRAs should consider the test of 'exercised reasonably where there are sufficient grounds for doing so' to be in line with the two circumstances proposed by the Home Office and agreed by the Scheme Advisory Board:
  - Transitional members with service in one of the 1992 or 2006 Schemes, and the 2015 Scheme, are able to access a VSP arrangement in the same way that a protected 1992 or 2006 scheme member, or a member with service only in the 2015 Scheme, can do so through Mandatory Scheme Pays.
  - Scheme members with a tapered annual allowance are able to use a VSP arrangement to pay a tax charge in a circumstance where the pension growth in one scheme (or more schemes) is less than the £40,000 general AA limit but more than their own tapered AA limit.
30. The Fire Authority as the 'scheme administrator' have an express power under [Rule 2, paragraph 2](#) of the Modification of Scheme Regs SI 2011/1791, to allow for an adjustment to be made to the pension (ie in this case a scheme pays debit)

## Final Note

31. This note was prepared on 31<sup>st</sup> May 2017 for Fire Authorities consideration by the Local Government Association. It does not constitute legal advice and should not be treated as so.

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# Agenda Item 7

<b>REPORT REFERENCE NO.</b>	HRMDC/18/26
<b>MEETING</b>	<b>HUMAN RESOURCES MANAGEMENT &amp; DEVELOPMENT COMMITTEE</b>
<b>DATE OF MEETING</b>	3 JULY 2018
<b>SUBJECT OF REPORT</b>	<b>REVIEW OF EXPENSES POLICY – ACCOMODATION &amp; SUBSISTENCE</b>
<b>LEAD OFFICER</b>	Director of Service Improvement
<b>RECOMMENDATIONS</b>	<p><b>(a) <i>That, subject to the Service consulting with the recognised Trade Unions, the Committee approves:</i></b></p> <p><b>(i) <i>The changes to the rate of overnight accommodation (outside of London) as set out within paragraph 2.2 of this report; and</i></b></p> <p><b>(ii) <i>The changes to the rates of subsistence as set out within paragraph 3.3 of this report;</i></b></p> <p><b>(b) <i>That the impact on the rates of subsistence and overnight accommodation included within the Scheme of Allowances for the Devon &amp; Somerset Fire &amp; Rescue Authority be noted.</i></b></p>
<b>EXECUTIVE SUMMARY</b>	<p>The Service is currently reviewing the Expenses Policy and the HRMD committee at the meeting held on the 23<sup>rd</sup> March 2018 agreed to changes in how the Service provides vehicles including Essential User car mileage rates. which will be incorporated into the Expenses Policy.</p> <p>The elements which are under review in the Expenses policy include both subsistence and overnight accommodation rates and the proposed changes to the existing rates are set out within this report for consideration by the Committee. It should also be noted that any changes to these rates will also apply to Authority Members.</p> <p>Reimbursement of subsistence will be linked to rates payable to Devon &amp; Somerset Fire &amp; Rescue Service employees and amended accordingly.</p>
<b>RESOURCE IMPLICATIONS</b>	The annual spend on accommodation and subsistence will be monitored to ensure that these changes do not have any significant impact on our expenses. Our current level of spend is £96,500 on overnight accommodation and £23,500 on subsistence.
<b>EQUALITY RISK &amp; BENEFITS ASSESSMENT</b>	The ERBA will be reviewed alongside the Service policy.
<b>APPENDICES</b>	Nil.
<b>LIST OF BACKGROUND PAPERS</b>	Nil.

1. **INTRODUCTION**

1.1 The Service is currently reviewing its Expenses Policy. There are a number of strands to this which need to be reviewed, including:

- Travel;
- Overnight accommodation; and
- Subsistence;

1.2 There is an opportunity to review the levels set for each of these areas and the relevant information is set out in this report below for consideration.

2. **TRAVEL AND OVERNIGHT ACCOMMODATION**

2.1 The Service currently has a contracted provider for booking travel and accommodation which provides a 'one stop shop' which reduces the administration time in booking our travel arrangements. There is also an additional benefit in being able to track staff travel movements in the event of a critical incident. For example, with the Manchester terrorist attack in May 2017, the Service was able to confirm that it had no personnel within the immediate vicinity. The current travel contract expires during November 2018, and there will be a collaborative process with Devon & Cornwall Police in order to procure a new provider. In the meanwhile, the Service has two overnight maximum accommodation rates as follows:

- London - £140 per night,
- Elsewhere in the UK - £110 per night

2.2 If, for any reason, accommodation cannot be arranged at these rates, then our contracted travel supplier can be authorised to exceed the maximum rates. This has never happened outside of London and our travel supplier advises that, compared with other public organisations, the rate in place is at a generous level. It is therefore proposed to reduce this rate to a maximum of £100 per night.

2.3 For bookings in London, the rate cap is £140 but it is not proposed to amend this at this time.

3. **SUBSISTENCE**

3.1 In terms of subsistence rates, these have been set historically by the National Joint Council but this practice has long ceased. The subsistence rates within our policy were set in September 2010 and have not been reviewed since. The current rates are as follows:

	<b>DSFRS Rate</b>
Breakfast	£6.90
Lunch	£9.54
Tea	£3.76
Evening meal	£11.82



- 3.2 Although these rates have been in place since 2010 they still appear to be reasonable but with the exception of the evening meal rate of £11.82 which is often insufficient to purchase an evening meal, especially in London. In order to provide a sufficient amount to cover the evening meal when employees stay overnight, it is proposed that the Evening Meal allowance is increased to £20. It should also be noted that when staying away, the breakfast is usually incorporated into an overnight rate and is therefore not claimed separately. It would apply where someone has left home prior to 07:00.
- 3.3 It is therefore proposed that the subsistence rates are rounded for simplicity and that the evening meal rate is adjusted:

	<b>DSFRS Rate</b>
Breakfast	£7
Lunch	£10
Tea	£4
Evening meal	£20

#### 4. **SUMMARY**

- 4.1 In terms of any implications from a Her Majesty's Revenue and Customs (HMRC) perspective the Service can confirm that these reasonable reimbursement rates can be applied provided receipts are obtained and the amounts are within the policy limit.
- 4.2 Since these matters of subsistence and accommodation have been raised by staff and Trade Unions, it is recommended that, subject to Members agreeing to these proposed changes, that the Service will further consult with the recognised Trade Unions and also staff prior to introducing these changes.
- 4.3 The Scheme of Allowances for Devon & Somerset Fire & Rescue Authority Members states: "Reimbursement of subsistence will be linked to rates payable to Devon & Somerset Fire & Rescue Service employees and amended accordingly". So, if the amendments to the overnight accommodation and subsistence rates set out within this report are approved, the rates included within the Scheme of Allowances for the Devon & Somerset Fire & Rescue Authority will also be amended accordingly.

**PETE BOND**  
**Director of Service Improvement**

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# Agenda Item 8

<b>REPORT REFERENCE NO.</b>	HRMDC/18/27
<b>MEETING</b>	<b>HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT COMMITTEE</b>
<b>DATE OF MEETING</b>	<b>3 JULY 2018</b>
<b>SUBJECT OF REPORT</b>	<b>APPOINTMENTS TO THE INTERNAL DISPUTES RESOLUTION PANEL</b>
<b>LEAD OFFICER</b>	<b>Director of Corporate Services (Clerk to the Authority)</b>
<b>RECOMMENDATIONS</b>	<i>To appoint from amongst the Committee Members a Panel of three Members with delegated authority to consider and determine complaints made by individuals under Stage 2 of the Firefighters' Pensions Scheme Internal Dispute Resolution Procedure.</i>
<b>EXECUTIVE SUMMARY</b>	<p>The Firefighters' Pension Scheme Internal Dispute Resolution Procedure (IDRP) enables complaints related to a pension to be considered by the Service and Authority under a two stage process as follows:</p> <p style="padding-left: 40px;"><b>Stage One:</b> the matters should be considered by the Chief Fire Officer, or a senior manager specified by him, who will give a decision in the matters; and</p> <p style="padding-left: 40px;"><b>Stage Two:</b> the decision should be confirmed or replaced by the decision of elected Members of the Fire and Rescue Authority which may in turn delegate this function to a smaller grouping.</p> <p>It should be noted that the Service procedures for grievances, discipline or dismissals now align with ACAS practice and guidance (which replaced the statutory discipline regulations) and do not provide for any ultimate recourse to the Authority. The Service has no intention to change this arrangement but, given the revised Internal Disputes Resolution Procedure are linked to statutory pensions schemes, it is necessary in the case of pensions complaints to provide an ultimate recourse to the Authority.</p> <p>This matter has been delegated by the Authority to this Committee for determination (Minute DSFRA/10 refers). The Committee is requested, therefore, to appoint three of its Members to serve on the IDRP Panel.</p> <p>In 2017/18, Membership of the Panel was Councillors Bown, Clayton and Hannaford. The Committee may wish to consider whether these Members who may have already built up some experience should continue to serve on this ad hoc Panel.</p>
<b>RESOURCE IMPLICATIONS</b>	An initial assessment has revealed no equality issues in this matter sufficient to warrant a full equality impact assessment.
<b>EQUALITY RISKS AND BENEFITS ANALYSIS (ERBA)</b>	Nil.
<b>APPENDICES</b>	None.
<b>LIST OF BACKGROUND PAPERS</b>	Firefighters' Pensions Scheme Circular 1/2009 – Firefighters' Pension Scheme: Internal Dispute Resolution Procedure (IDRP).

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# Agenda Item 9

<b>REPORT REFERENCE NO.</b>	<b>HRMDC/18/28</b>
<b>MEETING</b>	<b>HUMAN RESOURCES MANAGEMENT &amp; DEVELOPMENT COMMITTEE</b>
<b>DATE OF MEETING</b>	<b>3 JULY 2018</b>
<b>SUBJECT OF REPORT</b>	<b>WORKFORCE CULTURE, DIVERSITY AND INCLUSION – QUARTERLY UPDATE</b>
<b>LEAD OFFICER</b>	<b>DIRECTOR OF SERVICE IMPROVEMENT</b>
<b>RECOMMENDATIONS</b>	<i>That the report be noted.</i>
<b>EXECUTIVE SUMMARY</b>	<p>This report sets out the progress in work the Service is undertaking in planning and delivering cultural change driven by the requirements of the new IRMP, Fire and Rescue Plan and national guidance.</p> <p>During this quarter, the Fire Minister has made an announcement regarding the creation of an independent Fire Standards Board that will impact on our diversity and inclusion requirements.</p> <p>Internally, the Service has published a new set of Values that have been created by the staff and have a far more inclusive approach. Work continues to develop a new appraisal system that will incorporate these values along with the objectives of the Fire and Rescue Plan.</p> <p>In addition, recruitment and promotion processes are being reviewed following the publication of the revised National Framework for Fire and Rescue Services and further links have been made with equality officers in constituent Local Authorities.</p>
<b>RESOURCE IMPLICATIONS</b>	None at this time
<b>EQUALITY RISK AND BENEFITS ANALYSIS (ERBA)</b>	Where required, ERBAs will be carried out on particular projects or areas of work.
<b>APPENDICES</b>	N/A
<b>LIST OF BACKGROUND PAPERS</b>	N/A

## **1. INTRODUCTION**

- 1.1 This is the report detailing progress in the first quarter of the 2018-2019 financial year towards achieving a more diverse workforce and a more inclusive working environment.
- 1.2 Addressing the Local Government Association's Fire Commission on 21 May, the Minister for Policing and the Fire Service, Nick Hurd, announced a new approach to improve professional standards for fire and rescue services across England.
- 1.3 A Fire Standards Board will be created to ensure standards are nationally coordinated to a high level across the sector. This new board will be independent from government and supported by the NFCC's central programme office which will produce the standards, drawing on external expertise as required.
- 1.4 This move is a key element of the government's ambitious fire reform programme, impacting on local Diversity & Inclusion agendas, which aims to improve the professionalism, effectiveness and accountability of fire and rescue services including encouraging employers to drive workforce reform, including increasing the diversity of the workforce and considering workforce issues like leadership and development

## **2. INCLUSIVE CULTURE/LEADERSHIP**

- 2.1 Early in 2017, a culture review was undertaken by external consultants. This has resulted in a programme to redesign Values and Leadership Behaviours, introduce an interim Appraisal process 2017/18, design a new Appraisal process from 2018, develop a transparent promotion process, and upskill leaders and managers including unconscious bias training. The implementation plan for the Values has been completed and so has the roll out of unconscious bias training.
- 2.3 Work on development of the new appraisal process continues with determining objectives for the a few remaining role and fitting our service plans and department objectives into the appraisal objectives/system.
- 2.4 Although initial outcomes of this year's staff satisfaction survey have been available and have been presented to staff on 21 November 2017, in depth analysis and narrative have been discussed and will be available for discussion at the next Diversity & Inclusion Strategic Steering Group in July and by Executive Board.
- 2.6 The Diversity & Inclusion Strategic Steering Group met on 14 May 2018 when discussions took place around our Values and questions were raised around our Culture. The group considered what culture would be required to achieve the many objectives the Service has and guidance that exists around it. It was acknowledged that there are some locations/team in the Service where the values are not fully embedded yet, but it is expected that through challenge, development and discussion this will improve.
- 2.8 A cultural Audit will be undertaken in the last quarter of 2018 in line with the Public Service Internal Audit Standards, which will provide a gap analysis and assist in determining what actions need to be considered to ensure the Service's culture is inclusive and relevant to achieving the Service's objectives.

2.9 Our new Head of Corporate Communication, Engagement & Consultation has started in role and has taken responsibility for an action plan to address points raised in the internal communications review to ensure better communication and engagement with both staff and community.

### **3. RECRUITMENT, PROMOTION & RETENTION**

3.1 With the FRS National Framework consultation and the creation of a Fire Standards Board, the Home Office continue to emphasise that increasing the diversity of the firefighter workforce is a key priority in their fire reform programme.

3.2 It is expected that each Fire and Rescue Authority could achieve this by having in place a people strategy. Work has started in relation to the Authority's People Strategy with a discovery stage and further planning and consultation meetings in June and July. The expectation is that this strategy will be at the final draft stage by the end of July.

3.3 Positive Action, as set out in the Equality Act 2010 section 159, is used for purposes of achieving a more diverse workforce and improved inclusion, particularly within Recruitment and Promotion processes. A working group has been set up through the National Fire Chiefs Council and the Service attended the first meeting on 26 April with the aim to learn from other's experience and share our good practice.

3.4 The work in relation to the development of a transparent promotion process has continued with new principles applied to the current Watch Manager promotion process.

3.5 To ensure leaders and managers in our Service are suitably equipped with all the skills and knowledge, a Leadership & Development role has been created which will link the requirements of inclusive practices with the operational standards into a comprehensive Leadership Framework.

3.6 The Diversity & Inclusion strategic Steering Group has been monitoring the following information:

- a. New Staff intake – women, Black and Minority Ethnic (BAME), Lesbian, Gay, Bisexual and Transgender (LGBT), disability;
- b. Promotion and temporary promotion - women, BAME;
- c. Gender/BAME/LGBT ratio.

3.7 The group considered the reports and noted the following in line with key findings in the reports:

- women are under-represented in all uniformed roles other than in Control;
- there is a low level of LGBT employees' self-identification in the Service;
- The amount of staff with a declared disability is low compared to the percentage of working age disabled individuals in the community, and agreed that the higher level of 'not stated' in the sexual orientation reporting needs further consideration as to whether this is a result of the way this is recorded or of the working environment.

**4. COMMUNITY INCLUSION**

- 4.1 Links have been made with County Council Equality Officers of both Somerset County and Devon County to work more closely together on community engagement for the purpose of consultation, recruitment and community safety.

**ACFO PETE BOND**  
**Director of Service Improvement**