

MINUTES OF THE 155th MEETING OF  
**THE CENTRAL ADVISORY COMMITTEE (CAC) ON PENSIONS AND COMPENSATION**  
Wednesday 17 October 2012 – HR27 MOD – Main Building at 1030hrs

**Present:**

Minister (DPWV) (Chairman)	Jeff Garrett
Lt Col Jerome Church (Retd)	Dr Anne Braidwood
AVM Tony Stables (Retd)	Jon Parkin
Dan Martin	Philip Gould (Secretary)

Peter Poole

Ros Campbell

Lt Cdr David Marsh (Retd)

Peter Wilkinson

Cathy Walker

Jim Keating

Paul Kingham

Kim Richardson

Professor Sir Anthony Newman Taylor

**In Attendance:**

Gp Capt Ian Pollitt

Richard Thompson

Duncan Haigh

Gp Capt Richard Paul

Capt Kevin Hood

Col Fiona Gardner

Simon Pearce

David Stevenson

**Apologies received from:**

Sue Freeth

Cdre Andrew Cameron (Retd)

Maj Gen John Moore-Bick (Retd)

**1. CHAIRMAN'S OPENING COMMENTS**

1.1 Minister(DPWV) welcomed members to the 155th meeting of the Committee, his first as Chairman.

1.2 Minister(DPWV) reiterated his comments at a recent MOD Welfare Conference, by thanking members for their hard work in helping to improve the lives of those who have served in the Armed Forces. Minister (DPWV) also stated that Pensions and Compensation are two of the highest priorities within the welfare package offered to personnel and he recognised that the committee has a very important role to play in ensuring the best possible support is given to personnel, veterans and their families.

1.3 Minister(DPWV) welcomed Paul Kingham, Chair of the Veterans Advisory and Pensions Committee (VA&PC), who was attending his first meeting in that role.

**2. MINUTES OF THE 154<sup>th</sup> MEETING**

2.1 The minutes of the last meeting were approved by the Committee.

**3. MATTERS ARISING FROM THE PREVIOUS MINUTES**

3.1 Minister (DPWV) reminded members of the three action points arising from the minutes of the previous meeting.

3.2 The first point concerned the revised Terms of Reference (TOR) for the group which were issued with the last minutes. Tony Stables (COBSEO) commented that the TORs do not go far enough to address his concerns over how amendments to the Armed Forces

Compensation Scheme (AFCS) tariff could be addressed. It was agreed that Richard Thompson would discuss Tony's concerns outside of the meeting. Aside from this point the revised TORs were agreed by the committee.

3.2 The second action point concerned a request from Ros Campbell for statistics on the number of post-1973 war widow/ers within the War Pensions Scheme (WPS). Ros confirmed that the information sought had been provided to her where it was available, and she was content.

3.3 For the remaining action point, concerning the means test within the Armed Forces Pension Scheme (AFPS), for widow/ers that remarry, Minister (DPWV) stated that this point would be covered later on in the agenda.

#### **4. CAC REVIEW UPDATE**

4.1 Minister(DPWV) reminded members of the background to the review of CAC, and that it was necessary as part of a wider Government review of all Non-Departmental Public Bodies (NDPB). Minister (DPWV) stated that the review should be completed by the end of the year and he reassured members that if it was decided that NDPB status was no longer appropriate, this would not affect the committee's function or role, and he would continue to chair meetings.

#### **ARMED FORCES INDEPENDENCE PAYMENT CONSULTATION PAPER**

4.2 Minister invited Richard Thompson (AFC Hd) to briefly summarise the content of a consultation paper issued to members ahead of the meeting concerning proposals for an amendment to AFCS legislation to introduce an Armed Forces Independence Payment (AFIP).

4.3 Richard Thompson reminded members of the rationale for the payment; he explained that the Prime Minister had stated that seriously injured personnel should be protected from financial detriment when the Department for Work and Pensions (DWP) replaces Disability Living Allowance (DLA) with Personal Independence Payment (PIP) in April 2013.

4.4 Richard Thompson stated that officials had worked closely with the DWP to develop the policy for AFIP and explained that although AFIP will sit in MOD legislation it will be for DWP to administer and fund the payment to individuals.

4.5 Richard Thompson further stated that eligibility would flow from an AFCS award with entitlement to a 50 per cent Guaranteed Income Payment (GIP) (those with an injury between levels 1 to 8 on the tariff or with multiple injuries between tariffs 9 and 11). He explained that there would no reassessment and the level of payment would be equal to the enhanced rate of both components of PIP, which DWP have announced will not be less than the current top rates of DLA.

4.6 Kim Richardson (NFF) commented that this was a good deal for those who fell into the criteria covered by the payment, but expressed concern that some individuals may miss out as they are currently turned down for DLA. Richard Thompson stated that those who do not qualify for AFIP can still apply for PIP.

4.7 Jerome Church (BLESMA) spoke in support of the proposals but cautioned that it could lead to a split between veterans and the much larger civil disabled population who may think the payment is too generous. He suggested that level 6 may be a more appropriate cut-off point.

4.8 Jim Keating (VA&PC) noted that war pensioners would not be affected by the changes to DLA but queried what would happen to those currently in receipt of DWP's attendance allowance, in addition to lower level Constant Attendance Allowance (CAA) under the WPS. Anne Braidwood explained that as DLA reform will not apply to those aged 65 or over, they will not be affected.

4.9 Dan Martin (RBL) stated that the legion supported the proposals, and they were particularly pleased as DWP assessments put too much faith on the impact of prosthetics on an individual.

4.10 Minister (DPWV) highlighted the proposal that AFIP would not be suspended if an individual is in hospital or sent to prison, as PIP will be. He stated that this was an example of the Government's determination that the Armed Forces Covenant makes real differences at ground level specifically for those injured or bereaved. In noting the concern raised by Jerome Church, Minister (DPWV) said he would defend the principle that in some circumstances injured veterans would do better than the civilian population.

4.11 Minister (DPWV) reminded the group of the deadline by which to respond to the proposals (30 November) and asked that even if completely supportive of the plans members should make sure they respond.

## **PENSIONS FOR LIFE**

5.1 Peter Wilkinson (FPS) explained that the former Minister (DPWV) had agreed at a meeting with the FPS that a study into the issue of 'Pensions for Life' for widow/ers under AFPS 75 should be conducted with the FPS taking the lead on behalf of other ex-service organisations. Peter Wilkinson added that following subsequent meetings with MOD officials it was decided that a position paper would be developed, jointly owned by the FPS and the MOD.

5.2 Peter Wilkinson stated that the paper was still a work in progress, but it will aim to provide clarity on the number of widow/ers who have had to give up their pensions and the value of those pensions. Peter Wilkinson added that the paper will not seek to make recommendations; rather, he hoped the facts will speak for themselves. Peter Wilkinson stated that he aims to complete the paper in time for the next committee meeting (expected to be in April next year). In the interim, he offered Minister(DPWV) a desk level brief on this issue if required.

5.3 Ros Campbell (WWA) gave support to the paper but stated that this should not be confused with the similar issue of 'Pensions for Life' for post-1973 war widow/ers under the WPS. Minister (DPWV) stated that in principle he welcomed the work to be carried out by the FPS, agreeing that it will be very useful to have robust cost estimates and welcoming the offer of a specific brief at the appropriate time.

5.4 Duncan Haigh (AFPS Hd) explained that a paper was circulated prior to the meeting concerning an action from the last meeting about exploring the possibility of scrapping the means test for reinstating pensions on remarriage under the AFPS.

5.5 Duncan Haigh stated that a number of other public sector schemes had been looked at, some of which have some form of means test. Duncan Haigh further stated that the annual cost of not applying a means test could be up to £140k but this sum would have to be capitalised and funded over all time if HM Treasury were to agree to such a change being made.

5.6 Duncan Haigh stated that there was limited data available upon which these cost assumptions are made but suggested that the question could be looked at in more detail and combined with the FPS work. Minister (DPWV) agreed that this approach seemed sensible.

5.7 Tony Stables suggested that the administrative cost of carrying out the means test should also be covered in any cost calculations.

#### **AP01 FPS to produce an initial position paper in time for the next CAC meeting.**

#### **SPVA UPDATE**

6.1 Jon Parkin (SPVA) updated the group on a number of issues raised by committee members concerning the number of compensation claims submitted to the SPVA and the turnaround time for processing applications.

6.2 Jon Parkin explained that more AFCS claims are being received than was predicted and the decline in war pension claims has not been as great as expected. Jon Parkin stated that although the number of war pension claims has fallen this does not take into account existing claimants coming forward for reconsiderations. In addition he speculated that recent redundancies may have lead to more claims being made.

6.3 Jon Parkin reported that the majority of claims are completed within the target of 40 working days, but for widow/ers and seriously injured cases the turnaround time is quicker.

6.4 Jon Parkin explained that SPVA have put more resources into claims handling and are looking at ways to shorten the evidence gathering process, with a possible shorter route for minor claims. Jon Parkin further stated that an automatic reconsideration system had been set up which has helped to reduce the number of appeals made. Jon Parkin offered to host a visit to SPVA to any committee members interested.

6.5 Responding to concerns raised by Kim Richardson as to whether SPVA will be able to cope with increased demand in queries in the lead up to the Future AFPS, Jon Parkin stated that a direct enquiry line has been set up and SPVA will be developing a communications plan which would include guidance and calculations in order to give individuals the best service possible to help them make reasoned decisions.

6.6 Cathy Walker (SSAFA) requested comment on the role of the SPVA Veterans Welfare Service in the Army Transition Delivery model. Jon Parkin explained that this model, which aims to assist individuals on all aspects of leaving service, was still in its early stages but SPVA have representation on the various working groups and are liaising closely as this stream of work continues to develop.

6.7 Minister(DPWV) thanked Jon Parkin for his update, adding that he hopes to visit both SPVA Norcross and Glasgow early in the new year. A copy of Jon Parkin's briefing note is attached to these minutes.

## **INDEPENDENT MEDICAL EXPERT GROUP (IMEG) UPDATE**

7.1 Professor Sir Anthony Newman Taylor (IMEG Chair) updated the committee on the work of the IMEG. For the benefit of Minister (DPWV) he briefly summarised the background to the group; that it was set up following the 2009 Boyce Review of the AFCS, to investigate and make recommendations on medical aspects of the scheme.

7.2 Professor Newman Taylor informed the committee that the IMEG had met twice since the last CAC meeting and is currently looking at two major topics, hearing loss, concerning the basis of the threshold for qualifying for compensation, and mental health, concerning the distinction between mental health symptoms and disorders.

7.3 Professor Newman Taylor stated that another issue the IMEG is considering is mild trauma brain injuries, such as those caused by a blow to the head. He added that all of these topics will be the subject of a report to Minister(DPWV) by the end of the year. A copy of Professor Newman Taylor's briefing note is attached to these minutes.

7.4 Kim Richardson expressed concern that the IMEG's status as a permanent NDPB had not yet been agreed by the Cabinet Office. Richard Thompson explained that the IMEG's status had been extended to the end of the year whilst the Cabinet Office considered the matter. Post Meeting Note – Cabinet Office Ministers confirmed on 29 October that the IMEG can be set up as a permanent advisory NDPB.

## **FUTURE ARMED FORCES PENSION SCHEME UPDATE**

8.1 Gp Capt Ian Pollitt (FAFPS Hd) updated the committee on progress with the development of the new occupational pension scheme for member of the armed forces. Gp Capt Pollitt stated that the final agreement was announced yesterday (16 Oct) and that his team would now work towards implementation of the scheme with a start date of 1 April 2015 (in line with proposed changes to other public sector schemes) when individuals aged below 45 will transfer across. Those individuals aged 45 and over will have protected rights.

8.2 Gp Capt Pollitt briefly summarised developments up to the point of final agreement, reminding members of the design principles, that the scheme should be affordable and sustainable, comply with Hutton recommendations, simple to administer, and maintain relative value with other public sector schemes.

8.3 Gp Capt Pollitt explained that the initial consultation in May this year was the largest the Department had ever undertaken reaching some 25,000 service personnel and their families. Gp Capt Pollitt added that the consultation revealed a lack of understanding of the current pension schemes which needed explaining first in order for personnel to understand the proposed changes. He added that whilst there was acceptance that the pension would be less valuable than currently, there was concern that terms of service would also evolve to match the scheme. Preservation of the Early Departure Payment (EDP) rules was another concern.

8.4 Gp Capt Pollitt reported that following the initial consultation, work on an outline scheme design took place, and this was the subject of a further consultation which closed in September. He stated that the outline scheme design confirmed the cost ceiling and accruals rate, that the scheme would be non contributory, and that the EDP would be retained, but with greater choice about how it is paid.

8.5 Summing up, Gp Capt Pollitt stated that the detailed work of implementation would start now. Peter Wilkinson added that Pathfinder magazine had given a favourable write up of the proposals. A copy of Gp Capt Pollitt's presentation is attached to these minutes.

## **AOB**

9.1 Minister(DPWV) congratulated RBL and Combat Stress following the recent announcement that the AFCS awareness video clip which they joint funded (a copy of which was shown to CAC members at the last meeting), had won first prize in the public sector communication video category at the Clarion awards, which recognise best practice in communicating health and welfare issues in the public and charity sectors.

9.2 Dan Martin (RBL) thanked Richard Thompson's team for their help in developing the video.

9.3 Peter Wilkinson offered thanks on behalf of the committee to Jeff Garrett, who is leaving his role following a head office reorganisation, for his hard work on pension and compensation issues during his time in post.

## **DATE OF NEXT MEETING**

10.1 The date of the next meeting will be circulated to members in due course.

Philip Gould  
Secretary to the CAC  
18 December 2012