



The Fire Brigades Union

GENERAL SECRETARY: MATT WRACK

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2012PENSIONS/SS

29TH May 2012

Bob Neill MP,
Parliamentary Under Secretary of State,
Communities and Local Government,
Eland House,
Bressenden Place,
London, SW1E 5DU.

By Email: bob.neill@communities.gsi.gov.uk

Dear Bob,

FIREFIGHTERS PENSION SCHEME - RESPONSE TO PROPOSED FINAL AGREEMENT DOCUMENT

Following the ministerial statement which announced the final agreement reached between government departments, the FBU, as you would expect, has continued to advise members to remain vigilant on the matter of changes to the pension schemes as the matter is far from concluded.

As previously outlined in the letter from Matt of 20 February 2012 the FBU has consistently registered its position concerning the inclusion of the word "agreement" within the title of such documents. For this reason I am sure it will not be a surprise that we state again we view this document, as with previous versions, as the government setting out its own pension proposals.

I must also stress that this document and its timing is unhelpful, unnecessary and has the potential to be viewed as inflammatory. It would be easy for some observers to read into it that the government has reversed its previous commitments to genuine reviews into the NPA and the scope and impact of opt-outs.

In our previous letter we outlined that there are still concerns on several areas of the proposals but we focused upon two key areas;

- Contributions increase
- Normal pension age of 60

Over recent weeks a mechanism has been devised involving two reviews whereby the FBU can submit views and evidence which we believe provide a real opportunity to influence your proposals. We have, within this period, also agreed Terms of Reference for each of these reviews and are currently involved in discussions around appointing the suitable chair(s) for the NPA review.

We recognise the government's preferences for the future of the Firefighters' Pension Scheme but stress that in contrast we remain fundamentally opposed to the proposed employee contribution increase and have already provided substantial evidence to illustrate the impact of this proposal. We are equally opposed to the proposal for a normal pension age of 60 for firefighters and again have already presented substantial evidence showing that your proposals on pension age are totally unworkable. I must emphasise that the evidence we have presented, which is based upon medical, practical, financial and operational considerations, has not been challenged by any evidence to the contrary and is also supported by the most recent government report on the subject.

We remain of the opinion that the issue of NPA is so fundamental to scheme design that it is illogical and impractical to discuss other areas of details (such as accrual rates, revaluation rates, commutation factors etc) until this key issue is resolved. In addition to this the transitional protection arrangements for current members of the 1992 Firefighters' Pension Scheme remains an area requiring further discussion but again is dependent on the outcome of the NPA review.

Whilst we were disappointed that there was any increase in the 2012 employee contributions, the Executive Council recognised the sign that the evidence we submitted had impacted upon the decision to reduce the increase by approximately 50% and reacted accordingly as is demonstrated in our statement to our forthcoming conference in June.

Notwithstanding this there will now be officials and members who will see the issuing of this document before the reviews have reported as a provocation and a clear indication that the reviews may be nothing other than a token gesture.

The proposals in the mis-titled "Final Agreement" remain unacceptable as they outline a scheme with unaffordable/unfair contribution rates and a totally unrealistic/unworkable normal pension age. This combination can only mean an unsustainable scheme for the fire service which is a position that the FBU cannot accept.

I am sure that you recognise that we have been available for discussion throughout this process so far although we have always confirmed that we will closely monitor the situation and any developments and will act accordingly.

The two reviews could be the mechanism for addressing these matters but your document raises genuine concerns regarding their value and status.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Andy Dark', with a stylized, cursive script.

ANDY DARK

Assistant General Secretary

Cc Andrew Cornelius
 Terry Crossley