



The Fire Brigades Union

GENERAL SECRETARY: MATT WRACK

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12th July 2013

Brandon Lewis MP
Parliamentary Under Secretary of State
Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU
By email: brandon.lewis@communities.gsi.gov.uk

Dear Brandon

The FBU Executive Council met earlier this week to consider the latest government proposals in relation to firefighter pensions. This meeting was called to enable us to provide you with a response to your letter dated 19 June within the timescales you specified. I would like to place on record that we were extremely disappointed to receive such a deadline when so many questions about future pension arrangements still remain unanswered.

The latest proposal has been outlined to us in letters dated 15 May 2013, 5 June 2013 and 19th June 2013 in which you:

- Provide an estimation of what the 2015 scheme employee contributions might be in 2015, 2016 and 2017,
- Inform us of the proposed figures for actuarial reductions from age 55
- Give draft terms of reference for a joint working party that you are content to establish between government and the employers.

You indicate that this latest proposal is subject to FBU members agreeing to the 2015 scheme without any further modification.

We have been clear throughout our discussions that our members require, as they are entitled to, clear and unambiguous proposals for consideration. You are seeking decisions on extremely important matters for our members. Unfortunately, even at this late stage, the full picture is not available. The proposals you suggest (particularly those in relation to future contributions) are based on 'a number of assumptions.' There is no certainty whatsoever on what they may finally look like.

Your letters make reference to our trade dispute letter of 16 May 2013 and attempt to show areas where you feel the concerns it contains have been addressed in part.

For ease I too have separately identified the points in our trade dispute and given an opinion of the latest position on each:

1. Improved protection arrangements - This is an area that remains unresolved. You are suggesting that a greater proportion of firefighters are protected compared to other public sector workforces. This does not recognise the need for protection which was also identified in the report you commissioned (Williams report) which outlines the difficulty firefighters will have in maintaining operational fitness and suggests that more protection for 1992 scheme members is an option. Unfortunately, despite this supporting evidence you have not chosen to make any improvements in this area.
2. No further increases in member contribution rates - This issue is ongoing and remains unresolved. We have provided information which supports our concerns that any additional employee contribution rises will increasingly make the scheme unaffordable and unsustainable. Information gathered also indicates that it is becoming increasingly common for new entrants to the fire service not to join the pension scheme. This is worrying as it is a conscious decision requiring them to opt out of the scheme. You have not taken any steps whatsoever to address this extremely serious situation which threatens the future viability of our scheme.

The attempts to demonstrate an improved contribution rate for the 2015 scheme in your letter of 19 June 2013 come with a very significant qualification; they are based upon assumptions that the full proposed increases will be applied to the current schemes in 2014. This suggests that you are already reliant on ignoring our evidence in relation to the proposed Year 3 contribution increases.

In addition to this you have yet to explain a process for dealing with unprotected members of the NFPS who could be paying 10.4% contributions in 2014 and will be faced with an immediate further increase of up to 2.8% as they join the 2015 scheme. We have raised this matter time and time again in meetings with you or with officials. Unfortunately, to date it has never been addressed.

3. Improved contribution ratio between employer and employee - The current proposal for the 2015 scheme contains a contribution ratio of just over 1:1 at the rate applicable to firefighters. This ratio is worsened considerably when you take into account the higher contribution tiering that will be applied to higher earners and will ultimately mean that some 2015 scheme members will be faced with a situation whereby they are paying more contributions than the employer. This is an issue that is unresolved.
4. No job no pension - This is an area that is unresolved. The FBU has highlighted evidence which shows that firefighters will find it increasingly difficult to maintain operational fitness until the NPA of 60. The government commissioned report (Williams) also identifies that, from the limited data it could utilise, 2/3 of firefighters age 55-60 were below the minimum fitness standard recommended for firefighters. It also outlines limited options available for firefighters in this position; leave or face a capability dismissal which ultimately means them having no job or no pension. This key issue has not been addressed and remains a major concern for firefighters.
5. Flexible retirement options - The latest proposal takes account of the recommendation in the NPA review which suggests that firefighters who are no longer able to maintain fitness be allowed to leave early with an actuarially reduced pension. The latest proposal recognises that this is in line with the 'Williams' review. The figures outlined in the letters still represent a significant reduction at age 55 and 56 which will mean that firefighters would have their pension reduced by a over 1/5th as a minimum simply because they were forced to choose to retire rather than face the threat of a capability dismissal (no job no pension). The status of the latest proposal is also unclear because although one letter (19th June 2013) proposes that this particular Williams' recommendation is adopted, earlier correspondence (15 May 2013) suggests it may subsequently be removed, apparently as a punitive measure.

6. Commutation arrangements - This is an area that has not been addressed. We have attempted to engage in dialogue on this issue but have been consistently informed that this is not an area for discussion.
7. Cost ceiling - Your letter of 19 June 2013 indicates that this matter has been dealt with previously. We recognise that government took into account some of the FBU concerns but it is important that other issues that have been raised are also considered. We have consistently raised objections, supported by evidence, to the current proposals which we believe do not reflect the demands of an occupational pension scheme for the fire and rescue service.

In addition to the points raised above, I feel that it is necessary to outline other key issues that remain either unresolved or unclear.

- **RDS - Modified Scheme**

We have on numerous occasions raised concerns in relation to the ongoing delays in implementing the RDS modified scheme. I have written to you on more than one occasion and discussed this with you on other occasions. We have always been given an assurance that this is being dealt with as a priority. We have been given various different assurances around timescales for this but to date, despite our continual pressure, you have not implemented the scheme.

It is disturbing that you can impose a timeframe for the FBU to respond to your proposals but do not apply the same strictness to other timeframes. In your latest letter you highlight that complex issues such as the introduction of the 'modified' scheme take time to get right. The irony will not be lost on our members that at the same time as this, you seek agreement on a far more complex issue (the proposals for the 2015 scheme) while providing our members with little or no firm detail and while suggesting an estimated contribution rate based on various unconfirmed assumptions.

- **Williams Review**

We are also still awaiting a formal position on the Williams' Review and an indication of what will be done to progress the issues and recommendations contained within it. You have indicated that you are adopting one of the recommendations but have not made it clear what action is to be taken on the others. A lack of response is unhelpful and leaves us in a position whereby many of the issues remain unresolved. These include such things as fitness standards; capability dismissals; and the various equality issues highlighted.

This delay, and any subsequent failure to fully take account of the Williams' Review, would be seen by our members and by others in the service as a clear sign that the government is ignoring a report because it does not like the findings. We strongly hope that will not be the case and look forward to discussing with you and with others the report and its implications.

We have supplied substantial supportive evidence outlining serious concerns with the NPA of 60. We have also consistently raised concerns that the proposals you have put forward do not reflect a workable pension scheme that takes account of the role that firefighters perform. To date we have not been provided with counter evidence to ours which demonstrate that 60 is workable and that members have a reasonable expectation that they would be able to work to and retire at the imposed NPA.

You have imposed a timescale for a response as to whether the latest proposals (without any further modification) are acceptable but have not provided any evidence to support your decisions. Nor have you provided sufficient information, other than assumptions, to enable us to consider many elements of the proposals in any detail.

The FBU is keen to engage in further discussions on any element of the proposals and points in our trade dispute. You have made it clear however that you need a decision in the timescale outlined.

Due to the deadline you have set, the lack of clarity around many aspects of the proposals and our detailed objections set out over many months and summarised above, the Fire Brigades Union cannot find the proposals acceptable.

Your insistence on a response by today and your indication that talks have concluded left us with little option other than to initiate a ballot for strike action, as you will now be aware. We hope that you will reconsider your position and we remain, as always, available to discuss this matter further.

Yours sincerely,

A handwritten signature in black ink that reads "M. Wrack". The signature is written in a cursive, slightly slanted style.

MATT WRACK
General Secretary

Cc Edwin Poots
Roseanna Cunningham
Lesley Griffiths

SS/EMH