

EXECUTIVE COUNCIL STATEMENT - PENSION PROPOSALS SCOTLAND

Throughout the FBU pension campaign, the Executive Council has committed to bring any improved and credible proposals back to FBU members to consider.

The FBU has received a set of revised proposals on Firefighter pensions from the Scottish Government/Service that represent an improvement to the unacceptable proposals set out for Firefighters in England and Wales.

Political and legislative responsibility for Firefighter pension schemes is a devolved matter in Northern Ireland, Wales and Scotland, although clearly within the parameters of the primary legislation, set by the UK Government. As a consequence, separate trade disputes were registered with the relevant Ministers in each of the four Governments in the UK. The Executive Council is mindful that the revised pension proposals now received from the Scottish Government are different to those that were on offer at the time FBU members in Scotland exercised their democratic right to vote in the strike ballot.

The proposals from the Scottish Government today are different from those still being proposed for Firefighters in England and Wales. For all these reasons, the Executive Council believes that FBU members in Scotland have the democratic right to consider and decide upon the response to the proposals made to them, by their Government, on this devolved matter. Therefore the Executive Council has decided to conduct a consultative ballot of FBU members in Scotland.

Overview of the Revised Proposals

The Scottish Government will not address the following points in the trade dispute due to constraints it states have been imposed by the current devolved arrangements:

- **No further contribution increases** – The FBU has presented substantial evidence that the further employee contribution increases will make the schemes unaffordable. This is likely to result in increasing numbers of members opting out or choosing not to join the scheme on entry into the Service. The contribution increases facing NFPS members, in particular, post 2014 remain unknown. We are concerned that by 2015 NFPS members will have faced a total increase in contributions of almost 5% of pensionable pay;
- **Commutation** – The proposals do not address our concerns around the reduced lump sum available on retirement from the proposed 2015 scheme;
- **Cost ceiling** – The proposals do not address our concerns that the cost ceiling is too restrictive to provide a workable scheme;
- **Contribution ratios** – The proposals do not address our concern that the ratio between employee and employer contributions as proposed for the 2015 scheme are amongst the worst in the public sector despite having one of the highest employee contribution rates.

However there are areas which do represent improvements on the final position set out by the Westminster Government. In particular:

- **“No Job, No Pension”** – the revised proposals include principled provisions to protect existing and future Firefighters in Scotland from suffering “no job, no pension” as a consequence of the anticipated difficulties Firefighters will face in maintaining operational fitness, particularly above the age of 55.

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- **Enhanced “Police” Protection** - The revised proposals on transitional protection arrangements would be enhanced in order to reflect those afforded to the police. Significantly, this means more FBU members in Scotland would benefit from additional transitional protection of their existing pension scheme benefits. However, it would mean a sizeable minority of existing members would still be without additional transitional protection.
- **RDS Modified Scheme** - The proposals include commitments on the legislative implementation of the modified pension scheme for RDS Firefighters with agreement on a shortened consultation.

In addition to these points the Scottish Government has clarified that the improved position in respect of enhanced actuarial reductions to allow firefighters to retire at 55 as outlined by Brandon Lewis in his letter to the General Secretary, Matt Wrack, of 19 June 2013 would be retained in the Scottish scheme regardless of the final settlement in England.

Summary

The Executive Council acknowledges the credible improvements in the Scottish Government’s revised proposals but also draws attention to the fact that they do not satisfactorily address our concerns about the future sustainability and affordability of Firefighter pension schemes.

Whatever the outcome of the consultation with FBU members in Scotland, the Executive Council remains fully committed to leading the campaign for appropriate occupational pension provisions fit for the occupation of all Firefighters throughout the UK.