HOUSE OF COMMONS

LONDON SW1A 0AA

Darren Jones MP
Chair
Business, Energy & Industrial Strategy Committee
House of Commons
London
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26 April 2021

Dear Mr Jones

As the Member of Parliament for Stoke-on-Trent North, Kidsgrove and Talke, I want to add my voice that of my friend and colleague, Lee Anderson MP, who recently wrote to you about the Mineworkers' Pension Scheme.

The Mineworkers' Pension Scheme surplus arrangement has been criticised by scheme members, their families and MPs. As the MP for a proud former mining area, which includes the mining towns of Talke and Talke Pits with many descendants of people who worked in mines such as Talke o'th Hill colliery, Bignall Hill colliery and Minnie Pit, as well as Chatterley Whitfield colliery – famous for being the first colliery in the country to achieve an annual output of 1 million tonnes – I have had the pleasure of meeting many former mineworkers. In these meetings members of the Pension Scheme have also criticised the surplus arrangements and said they feel the Scheme is unfair in its current form.

As I understand it, back in September 1993 the advice from the Government Actuary regarding the Mineworkers' Pension Scheme at the time of its Actuarial Review was for a surplus split of 70 per cent for the mineworkers, and 30 per cent for the Government. This was felt to be a fair deal in return for mineworkers' pensions being guaranteed. However, during the closing stage of negotiations it seems that the Government demanded a 50:50 split of the surplus, or the offer to guarantee the scheme would be withdrawn.

At a time when mines were closing and thousands of miners were being made redundant, the Trustees of the Scheme took the advice that the scheme needed to be guaranteed and so accepted the 50:50 split. However, it seems to me this heavy handed, last minute demand, giving the Government an extra 20 per cent, is not a fit way to treat people like those in my constituency who undertook a very dangerous job to keep the lights on around the country. The Government has profited massively from guaranteeing the scheme; as I understand it to date Government has taken more than £4 billion from the Scheme, without ever having to contribute.

The Scheme is a low risk, high yielding source of revenue for the Government. Further, when the last Scheme member dies the Scheme, along with all its assets, will be inherited by the Treasury. Understandably ex-mineworkers see this as unfair, especially considering many now have health problems or have had shortened lives because of the nature of their previous work. The current arrangement has left many mineworkers’ widows financially insecure.

In the spirit of levelling up, I would suggest that a greater share of the surplus should go to Scheme members. Coalmining communities like Stoke-on-Trent, as well as those such as Lee’s constituency of Ashfield, lost a great deal when the mines closed and in some ways still have not fully recovered from the closures. Rebalancing the surplus split would go some way to right the wrongs of the past.

In closing, Scheme members feel that the surplus share ratio should revert to the 70:30 split, as advised by the Government actuary in 1993, and also feel that the investment reserve fund of the Scheme should be passed over to the Trustees in order to benefit the remaining ex-miners.

I would like to thank you and the Committee for considering this important issue which affects thousands around the UK. The Scheme can improve the lives of these people with no expense to the Government.

Yours sincerely

Jonathan Gullis MP