Business, Energy and
Industrial Strategy Committee
House of Commons, London SW1A 0AA
020 7219 4494 - beiscom@parliament.uk - www.parliament.uk/beis - @CommonsBEIS

Rt Hon Rishi Sunak MP
Chancellor of the Exchequer,
HM Treasury,
1 Horse Guards Road,
London, SW1A 2HQ

Wednesday 28th April 2021

Dear Rishi,

Mineworkers' Pension Scheme

My Committee will tomorrow be publishing a report on the Mineworkers' Pension Scheme.

I wanted to draw your attention to paragraphs 30 and 49 in particular. I know that 'levelling up' and redressing the socio-economic disparities experienced by left-behind communities across the country is a key Government priority. However, as my Committee has concluded, the Government's current approach to the Scheme's surplus sharing arrangements appear antithetical to this agenda.

The vast majority of retirees live in former coalfield communities, which have never fully recovered from unemployment caused by the loss of heavy industries. The evidence we received suggests that the Government relinquishing its legal entitlement to the £1.2bn Investment Reserve fund, and instead distributing it to the Scheme's beneficiaries, would result in a £14 weekly increase for those on the average pension. Given the already low-income of the Scheme members, you will appreciate the high value of each additional pound they receive, and the higher social value and distributional effects this confers. Owing to the age and low-income of the beneficiaries, this is money which is also more likely to be spent rather than saved. This would stimulate local economies in worse off areas, by injecting additional disposable income.

I therefore hope my Committee's proposals will be considered in light of the renewed emphasis HM Treasury's revised Green Book places on public resources being spent in a holistic way which optimises social and public value.

With this in mind, please could you provide me with your department's assessment of how this proposal could meet the Government's 'levelling up' objective, how it might be appraised against the revised principles and strategic priorities set out in the Green Book, and what economic gain it might confer for former coalfield communities.

I would be grateful for a response by Thursday 6th May.

Darren Jones

Darren Jones MP
Chair of the Business, Energy and Industrial Strategy Committee

Cc. Rt Hon Kwasi Kwarteng MP, Secretary of State for Business, Energy and Industrial Strategy

Rt Hon Anne-Marie Trevelyan MP, Minister of State for Business, Energy and Clean Growth