

22 June 2021

FAO Mr Darren Jones MP, Chair of BEIS Committee

Dear Mr. Jones and Committee

I have read your report into the MPS and am heartened that you agree with the miners and their representatives and view the situation as being grossly unfair after considering all of the arguments and evidence put forward.

Although not a member of the MPS, I am a recipient of the British Coal Staff Superannuation Scheme, and would like to say that I feel that the BCSSS has been treated just as or even more unfairly than the MPS.

I worked for British Coal (NCB) for 30 years from 1964 to 1994 until my colliery, Ollerton, which was producing the second cheapest coal in Europe at the time, was closed by the Conservative government as being uneconomical. During that 30 years period I worked at 4 different collieries in 2 different coal fields finishing with 14 years as a shift charge engineer. I contributed into the pension schemes all of that time including contributions from overtime of which there was a considerable amount. I transferred from the MPS to the BCSSS in 1981 when I was appointed shift charge engineer so my contributions have gone into both schemes over those years.

I look upon my pension as mine, not to be shared with or abused by successive governments or anyone else for that matter. The fact that there are/were surpluses is testament to the investment skills of the people employed to make those investments and also, sadly, by the reducing amount of payments made to the rapidly declining membership. What I cannot accept is the Conservative government's greed and bitterness (from 1984) taking my hard earned – really hard earned – money away from my future. I worked up to 80 hours per week for 30 years earning that pension, ending up with numerous associated ailments because of it. Successive Labour governments were no better, they had the same greed but without the bitterness. They, Labour, went on to raid and put an end to many final salary schemes with taxes which the Conservatives have continued to take.

I looked upon that pension as security for the future of my wife and I when I retired. I paid money in, my employer paid money in and the pension schemes invested that money on my behalf. Simple. On the whole those investments were very well placed and the schemes did well. When the Government received surplus payouts from the MPS in 1987 and 1990 I am told, from the scheme secretary, that no payments were made to the Government from the BCSSS at those times. This was even though there was already an agreed 50/50 split in place of any surpluses between the BCSSS and British Coal prior to privatisation. When was this 50/50 split actually agreed & more importantly why was it agreed? The same ambiguity of origins of this split also surrounds the origins of the 70/30 split with the MPS. Were there in fact any payments made to the Government from the BCSSS prior to 1994 and if so how much?

There are so many complicated rules, facts and figures surrounding the two schemes that it is very difficult for a layman like myself to get a firm grasp of them. Please correct me if any of the following points are incorrect. I understand that the MPS scheme is doing much better than the

BCSSS and as such they have managed to pay extra bonuses following the last couple of valuations. The BCSSS has not been as lucky and the new bonuses paid prior to 2015 have not been as good as in previous years. The 50/50 agreement with the BCSSS ended in 2015 following the valuation deficits of 2009 and 2012. From 1994 to 2017 the BCSSS had paid the Government £3.119bn as their 50% surplus share but I don't know what they were paid prior to 1994 or since 2017. In 2015 the Government offered more guarantees to protect those BCSSS pensions and even though those guarantees were very welcome and have increased pensions with small additional bonuses, that offer came at a cost. The previous agreement of a 50/50 split was scrapped altogether and the Government now takes 100% of any BCSSS surpluses. Every single penny!

A question I would like answered if at all possible is this. Had the Government not taken 50% of any surpluses in the BCSSS scheme, which is at least £3.119bn, might that scheme not have been in deficit in the valuations of 2009 and 2012, would the 2015 agreement not have happened and would my pension now be much higher through better bonuses and potential future bonuses? What risks since 1994, or even before, have caused the Government to put money into the BCSSS and how much money was that. The answer to both those questions is none. We did after all suffer the financial crisis in 2008 without the Government being required to inject any money into the scheme.

Miners are not known to have an extended life span because of the nature and conditions of their work and many, when they were eligible, having found other jobs or not, decided to take their pensions at the age of 50 because of that. I suppose there were other factors considered in making that decision but they must have been compelling factors because it came at a cost. That cost was 50% of their full pension given up, 5% for every year under age 60 when taken. I know there will be arguments validating that cost but many, many miners would disagree with those arguments. Thrown onto the scrap heap in midlife and unable to find other decently paid work did they really have a choice?

The number of pensioners in my scheme, the BCSSS, is decreasing year in, year out by over 1500 members every year. In 2002 there were 83,704 members in that scheme, last year there were just 48,836. I would assume that the numbers in the other schemes will be declining at a similar rate. The guarantee "risk" must also be diminishing at a similar rate. You don't need a degree in rocket science to see that all these mining schemes have a finite end and that end is not far away now. Because of this new 0/100 split it makes no difference how much surplus is generated even as pensioner numbers fall, the Government gets the lot.

The scheme trustees now, presumably, have no need to be either cautious or brave with investments. Pensions are now fully guaranteed whatever the stability of the accounts, whatever happens in the financial markets and regardless of any actions they take. Do we need those trustees now? Do we need further valuations? Will the scheme benefit from producing surpluses? Do we need the same number of administration staff? With pensions now fully guaranteed & not a single penny extra to go to any BCSSS members in the future from any potential surpluses who are the pensions staff actually working for now? It appears to me that save for payroll staff they will be managing the assets of the scheme solely **for the benefit of the Government and not the members.** That cannot be right!

The government is like a bookmaker with these pension schemes, no matter what happens they hedge their bets and the money just keeps rolling in. Fair? It's tantamount to robbery. Did the Government take actuarial advice before applying the 50/50 split prior to 1994 and if so what was

that advice? What was the projected share of any surpluses? Has that amount been greatly exceeded as in the case of the MPS?

We in the BCSSS have no prospect of seeing any surplus cash or bonuses in future years as the Government will take it all, relying instead on RPI annual increases that are themselves now under threat by the same Conservative government.

How many other pension schemes have been given a Government or a Crown guarantee since their industries were privatised? How many of those schemes have had to agree to the Government taking a cut of their surpluses? Any cut at all not just an unfair one? Why were miners pensions treated so differently and so unfairly? I have my own very strong beliefs on that.

I would really like your committee to ask the same questions surrounding the BCSSS as they did of the MPS as I am firmly of the opinion that we have been treated in a very, very similar and unfair manner.

Thank you.

Regards

David Clark