Appendix 3



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10 October 2014

Dear Firefighter,

As well as the immediate issues of the future shape of the pension scheme I know that many of you are concerned about the medium-to-long term too, about what further changes might be in store and that your interests in the future are being looked after. I am very conscious of those concerns and in addition to the Government's 25 year guarantee on reform, today I am announcing a consultation which will help towards meeting them.

The final report of the Independent Public Service Pensions Commission, published on 10 March 2011, made a number of recommendations to "make public service pension schemes simpler and more transparent, fairer to those on low and moderate earnings".

Unlike private sector pensions, your pension scheme does not have Trustees who are there to look after your interests. One of the recommendations, which Government accepted and included in the Public Service Pensions Act 2013, was the requirement for DCLG to make regulations establishing a national Scheme Advisory Board and enabling each fire rescue authority to establish its own local pension board.

Today I am publishing a consultation on the new governance arrangements to be introduced for the firefighters' pension schemes. These new arrangements will put greater responsibility for the pension scheme into the hands of trade unions, employers and firefighters themselves.

The new statutory national Scheme Advisory Board will be in place from April 2015 and each fire and rescue authority will need to also establish its local pension board. The Scheme Advisory Board will be responsible for considering the scheme design and providing advice to Ministers on whether there should be changes made to the terms of the schemes. The Scheme Advisory Board will comprise of trade unions and employer representatives and I am personally keen to see all unions represented on the Board.

The local pension boards will, for the first time, provide serving firefighters with a formal role in scrutinising the day to day decisions made by their employer on the pension scheme. Local pension boards will increase the transparency of decisions taken locally, and improve the accountability of those who take them. If you wish to contribute to the consultation you can do so by emailing <u>firepensions@communities.gsi.gov.uk</u> and as stated before you are very welcome to contact me directly at <u>penny.mordaunt@communities.gsi.gov.uk</u>

I am continuing to work through the issues concerning the final pension scheme design, and will keep you updated. Thank you for your patience on this matter.

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PENNY MORDAUNT MP