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CC: Chief Fire Officers, Chief Executives, CFOA, LGA.

www.gov.uk/dclg

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Dear Colleague

FURTHER INDUSTRIAL ACTION IN THE FIRE AND RESCUE SERVICE

I know that you will be as disappointed as I am that after a period of constructive engagement for four months, the Fire Brigades Union has sought to recommence their campaign of strike action. Only the day before their announcement I had written to Matt Wrack saying that proposals were under consideration and stressed the importance of maintaining an open dialogue. Their response was to recommence their campaign.

All public service pension schemes are being reformed to make them more affordable and sustainable due to increasing longevity. To put longevity increases into context, the average firefighter retiring at age 50 today is expected to live and draw a pension for 37 years in retirement after a career of 30 years. Costs are increasing and the Government grant paid to the Firefighters' Pension Scheme just to keep it afloat in 2008-09 was £260 million and by 2019-20 is forecast to rise to £640 million. Whilst taxpayers stand fully behind the scheme, it is not right to ignore these increased costs. At the moment for every £1 a firefighter pays towards the pension scheme, the taxpayer is contributing £5.

Since the start of the reforms, the Government has agreed to provide:

- a significantly lower Normal Pension Age for firefighters than other non-uniformed services
- a more generous accrual and revaluation rate than most other schemes
- 4 years of tapered protection longer than most other schemes
- retirement from age 57 on enhanced terms
- enhanced accrued rights protections for members that transfer across from the 1992 scheme
- a lower employee contribution increase in 2012-13 than that seen in other schemes, and
- lower employee contribution rates in the first years of the 2015 scheme than originally proposed.

Most recently, the Department has also finalised the settlement for retained firefighters, giving historic equal treatment to access a pension scheme.

All of these beneficial terms were delivered as a result of discussions, not as a result of strike action. They deliver a pension scheme that is affordable, sustainable and fair for firefighters and tax payers.

As they are asked to take a further three periods of strike action, Fire Brigades Union members should rightly be asking their Union leaders what they achieved from the previous nine periods of action and holding them to account.

We made an offer last June which was not made under the threat of strike action but conditional on acceptance by the Union. This was subsequently withdrawn as the Union rejected it by choosing to lead their members into industrial action rather than pursue dialogue. Since the Union ceased strike action in January we have spent a considerable amount of time discussing and costing further proposals. The last of these proposals was costed by the Government Actuary's Department on 19 March.

In parallel with these discussions, a recent Treasury consultation 'Freedom and Choice in Pensions' has proposed an increase in the age at which an individual can take their pension tax free to age 57 from 2028. This consultation applies to all pension schemes in the UK and potentially has a significant impact on any proposals that were sought by the Union. Indeed, if the Government were to take the Treasury proposals forward, the current offer continues to provide the best financial deal for firefighters. However, rather than take the time to consider the impact of this proposal in detail and allow further consideration of the most recent proposals costed by the Government Actuary's Department, the Fire Brigades Union again took the decision to halt discussions by announcing further strikes.

We have previously shown that we will not make revised pension proposals under the threat of industrial action and that remains the case. Our priority now is on implementing the Proposed Final Agreement in time to take effect from 1 April 2015. The regulations to bring the scheme into force will go before Parliament soon.

Although incidents and call outs are now at an historical low, I am sure you will agree with me that public safety must be the priority this weekend. As was the case during previous action we have worked successfully with you to make sure sensible measures to prepare for action have been taken. I would like to put on record my thanks to you and your management teams, as well as those firefighters not participating, for the business continuity arrangements you have put in place to keep your communities safe during this unnecessary and disruptive strike action.

BRANDON LEWIS MP