Motion submitted by Councillor Steve Fritchley

The House of Commons Business, Energy and Industrial Strategy Committee Mineworkers' Pension Scheme Report can be accessed here –
https://committees.parliament.uk/publications/5683/documents/56224/default/

Conclusions and recommendations from the report:

Mineworkers' Pension Scheme
1. The Scheme's Trustees had little choice but to accept the Government's proposal to divide future surpluses on a 50:50 basis, as a condition of securing the Government's guarantee during the negotiations in 1994. (Paragraph 16)

2. The Government failed to conduct due diligence during the 1994 negotiations and undertook no empirical analysis or evaluation to inform or support the 50:50 split it proposed. The Government was negligent not to take actuarial advice. (Paragraph 17)

3. The 50:50 split was, and remains, arbitrary. (Paragraph 18)

4. To date, the Government has received £4.4bn from the Mineworkers' Pension Scheme. This is already more than the 1994 expectations of what the Government would receive. The Government is also due to receive at least another £1.9bn, on top of 50% off any future surpluses. (Paragraph 22)

5. The Government has not paid any funds into the Scheme since the surplus sharing arrangement was put in place in 1994. (Paragraph 23)

Fairness of the current terms
6. Many former mineworkers have chronic health issues directly related to their former occupation, and the former coalfields are amongst the most deprived areas of the UK. Sadly, their numbers are also decreasing year by year. Over half of Scheme members receive less than the average pension. Given the success of the Scheme, and the vast sums which have been paid to the Government, it is unconscionable that many of the Scheme's beneficiaries are struggling to make ends meet. (Paragraph 31)

7. We recognise that the Government's guarantee is important, has contributed to the success of the Scheme, and has benefitted Scheme members. However, we are not convinced by the Government's argument that its entitlement to 50% of surpluses is proportionate to the relatively low degree of risk it actually faces in practice. The number of Scheme members and the relative size of the fund has fallen significantly since 1994. Yet, the Government's 'price' for the guarantee has not been adjusted to reflect that fact. With no formal period review mechanism built into the agreement, pension members remain tied to an expensive arrangement. (Paragraph 46)

8. Given that the Scheme has continued to produce strong returns despite the 2008 Financial Crisis and the COVID-19 pandemic, there is little reason to believe the Government will be required to pay into the Scheme before it is wound-up. Even if, in extremis, the Government is required to financially contribute at some point in the future, realistically its contribution will not come close to the (at least) £6.3bn it is currently due to receive in total. (Paragraph 47)

9. Whether or not the Government knew in 1994 that it would disproportionately benefit from the arrangement, and whether all parties thought it was fair at the time, 24 Mineworkers' Pension Scheme is irrelevant. It is patently clear today that the arrangements have unduly benefited the Government, and it is untenable for the Government to continue to argue that the arrangements remain fair. (Paragraph 48)

10. Governments should not be in the business of profiting from mineworkers' pensions. We are therefore disappointed by the Government's argument that the 1994 agreement is a success because the public purse has had strong returns from it. The Government is not a corporate entity driven by profit-motives, and should not view miners' pensions as an opportunity to derive income. We also note that allowing the arrangement to continue would appear antithetical to the Government's stated aim of redressing socio-economic inequality and 'levelling up' left-behind communities. (Paragraph 49)

Changing the terms of the 1994 agreement

11. The Government is disingenuous in claiming the Trustees are content with the terms of the current arrangements. The Trustees have been clear that they are not - and never were - happy with the terms, and that they would welcome any changes in members' favours. The Government should not mistake the Trustees' acceptance of the deal for contentment. (Paragraph 53)

12. We are disappointed by the Government's dismissive approach to proposals to review the existing arrangement. The Minister's claim of openness is contrary to the approach successive governments have taken since 1994. The Government must approach any future discussions with the Trustees with a genuinely open mind, and with the best interests of the pension members in mind. (Paragraph 54)

13. With the benefit of hindsight, it is clear that the Government has already profited greatly from the Scheme. The Government must acknowledge that continuation of the arrangements in their current form deserves a review and a better outcome for pensions should be found. The current arrangements should be replaced with a revised agreement in which the Government is only entitled to a share of surpluses if the Scheme falls into deficit, and the Government has to provide funds. In that event, the Government should be entitled to 50% of future surpluses up to the total value of the funds it has provided to make up any shortfall. Such an arrangement takes account of the vast funds the Government has received thus far and the significant reduction in the risk it faces, and would ensure that neither party will be out of pocket in future. (Paragraph 58)

14. Whilst we have called for the 50:50 split to be replaced with a more appropriate arrangement moving forward, we believe pensioners should also receive a more immediate uplift. We recommend that the Government hands the £1.2bn it is due to receive from the Investment Reserve back to miners, and sets out its proposals for how and when this will be administered in response to this report. (Paragraph 63)

Conclusion

15. The Government's guarantee has undoubtedly benefitted the Scheme's members by providing vital security that the value of pensions will not decrease. However, the price of this guarantee is no longer fair. (Paragraph 64)

16. The beneficiaries of the Mineworkers' Pension Scheme toiled in dreadful conditions, to keep the country's lights on. Many now live with industrial diseases caused by the dangerous nature of their former occupation. The least they should expect in return is the secure retirement they were promised decades ago. Yet, successive governments have failed to deliver this. (Paragraph 65)

17. The Government must now accept its moral obligation to the Scheme members, and acknowledge that continuation of the surplus sharing arrangements in their current form robs beneficiaries of the financial security they have rightfully earned. (Paragraph 66)

18. Our recommendations set out equitable arrangements which would go some way to redressing the sense of historic injustice felt by the Scheme's members. The Government must consider them carefully. (Paragraph 67)

"To support the recommendations of the House of Commons Business, Energy and Industrial Strategy Committee Mineworkers' Pension Scheme Sixth Report of Session 2019-21 as follows:

[List of recommendations – see 1 to 18 above]"

Motion submitted by Councillor Clive Moesby

The Chancellor quite rightly extended the £20 uplift to Universal Credit (UC) for six months in his March budget. Unemployment is expected to continue to rise into the foreseeable future.

The UK has one of the weakest welfare safety nets in Europe which has been cruelly exposed by the pandemic – and I think it would be wrong both morally and financially to end the £20 uplift at the end of September.

The total number of households on Universal Credit across the Bolsover District (Feb 2021) is now 4749. The removal of the £20 increase would cast many more deeply into poverty.

Bolsover District Council notes the permanent increase in UC would not only give a financial boost to some of the District's most deprived families, but would have a positive impact on the local economy. (Based on these figures an extra £5m would be pumped into the local economy).

"That Bolsover District Council writes to:-

- **the Chancellor, Rishi Sunak, requesting that the £20 increase to Universal Credit is made permanent and extended to claimants on legacy benefits**
- **urge the government to end the five week wait for Universal Credit by converting advances into grants instead of loans.**
- **continue to work alongside partner organisations to provide help and assistance wherever possible to all those struggling during these difficult times.**
- **Mark Fletcher MP (MP for Bolsover) to ascertain his stance/position on the reduction to Universal Credit"**