Dear Mr. Lansley

I am writing further to our meeting of 31st October 2011 and following both the revised position announced by Government on 2nd November 2011 and the ongoing meetings we are having with your Department officials. You will by now be aware of the widespread support for the industrial action and protests taken by Union members, reflecting the real fear they have for their retirement prospects.

This fear is compounded by our experience that HM Treasury remains unwilling to move on key aspects of the negotiations. Our concern remains that NHS employees will have to pay more work longer and get less in retirement. Despite this we have shown in our engagement in recent months that, if the right negotiating environment is set, we can explore a degree of flexibility on all of these aspects. Genuine movement towards a deal from the Trade Unions must be reciprocated by similar movements by Government, particularly HM Treasury, on all of these issues – unaffordable contribution increases, unattractive levels of retirement income and impractical retirement ages. Any inflexibility on HM Treasury’s part on these matters may only serve to diminish the resolve of NHS Staff Side in seeking to move towards an agreed position.

We remain committed to working with Government to obtain the fairest, and most sustainable, pension scheme for all stakeholders. We have already made some progress in discussions with your officials, and would put on record our recognition to them and the Government Actuary’s staff for the work they have undertaken with us. The timetable laid out by Treasury is, however, exceptionally onerous. It is also concerning to note that, even at this late stage, our discussions cannot be fully informed as Treasury has yet to provide full details of the future for the NHSPS.

It is apparent to all that whilst discussions on the framework of a scheme for 2015 are crucial, the method for dealing with risks and cost fluctuations is also important. Risk factors and their controls are still being discussed however we have still not received any information about how the Treasury proposes to deal with future variations in Scheme cost which fall outside the boundaries of the risk...
control methods. Furthermore we do not have any information about how the final cost ceiling for NHS employers will be calculated. Without this crucial information and some clarity on the future of the Scheme, it is difficult to see at this stage how Staff Side could reach agreement on a package of reforms.

I hope that you will agree that progress is being made but that you will be able to voice our clear concerns to your colleagues in HM Treasury and urge them to re-visit the rigid set of principles they are maintaining and to furnish Scheme discussions with full information to enable us to continue meaningful negotiations.

Yours Sincerely

EDDIE SAVILLE
CHAIR NHS PENSIONS STAFFSIDE.