

A message from the Chair of BCSSS

Dear Member,

As you may know, the Trustees of BCSSS are pressing for the whole of the Scheme's £2.3bn investment reserve to be transferred to members so that it can be used to improve BCSSS pensions. And we're asking for this to happen quickly, so that as many members as possible can benefit from a boost to their income.

This matter is now being discussed at the highest levels of government. We've had meetings with many MPs and ministers, including Sarah Jones, Minister of State for Industry. And we're extremely lucky to have been supported by BCSSS members, hundreds of whom have written to their own MPs about changing the Scheme.

We believe that negotiations are now at a critical stage.

Inside, you can find a timeline setting out just some of the steps the Trustees have taken in recent months. This has been a long, sometimes frustrating process, but we believe that a decision will come soon. We will continue to do everything we can to secure a good outcome for members. In the meantime, the Scheme's finances remain in a strong position. A summary of this position, based on our most recent valuation, is on the back page of this letter.

This is a political matter, and the government has the final say. But you can play your part. To those of you who have already written to MPs and ministers: thank you. If you have not yet had the chance, now is the time to make your voice heard. Write to your MP and ask for their support in having the whole BCSSS £2.3bn investment reserve transferred to members. You can find out who your MP is by visiting members.parliament.uk

With thanks and best wishes,



Cheryl Agius
Chair, BCSSS

The journey so far

The Trustees have sent around 210 letters to MPs, MSPs and members of the Welsh Assembly, Lords and the Guarantor. Trustees have also met with dozens of MPs and several ministers. The investment reserve has been discussed in the national press, and questions have been asked in Parliament. This timeline includes just some of this activity from the last six months.

30 October 2024

The government announces that the MPS investment reserve will be transferred to members – The reserve is used to pay MPS members a bonus worth 32% of their guaranteed pensions.

31 October

BCSSS Trustees write to the government – This letter stresses the similarities between MPS and BCSSS and asks for a meeting with the relevant minister.

November

The Trustees write to 20 MPs to give them background on the Scheme and to suggest a meeting. By the end of February, this letter has gone to a total of 99 MPs. The Trustees also write to Sarah Jones MP asking for BCSSS members to be treated equally to MPS members.

16 December

Trustees meet with Sarah Jones MP – She agrees to write to the Treasury to raise the question of equal treatment for BCSSS members.

19 December

The Trustees write to Sarah Jones and include the Scheme rule amendment needed to transfer the investment reserve.

2 January 2025

Trustees are interviewed on BBC Look North.

13–14 January

The Trustees write to Darren Jones MP, Chief Secretary to the Treasury.

Trustees meet with the Labour Group of Coalfield MPs.

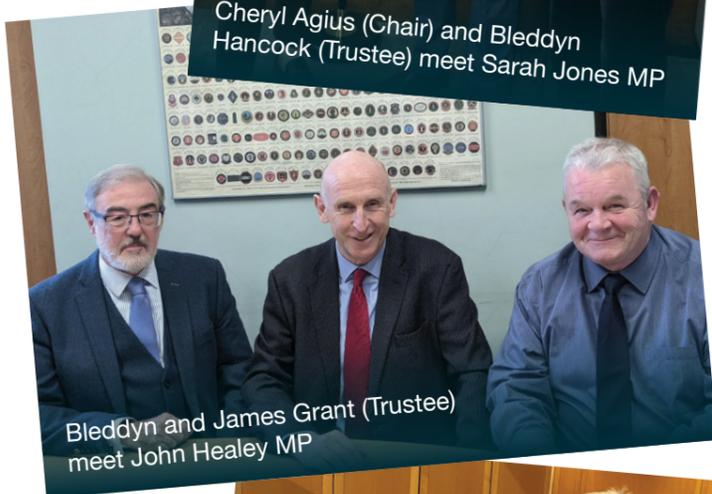
The Trustees are interviewed on BBC Wales.

22 January

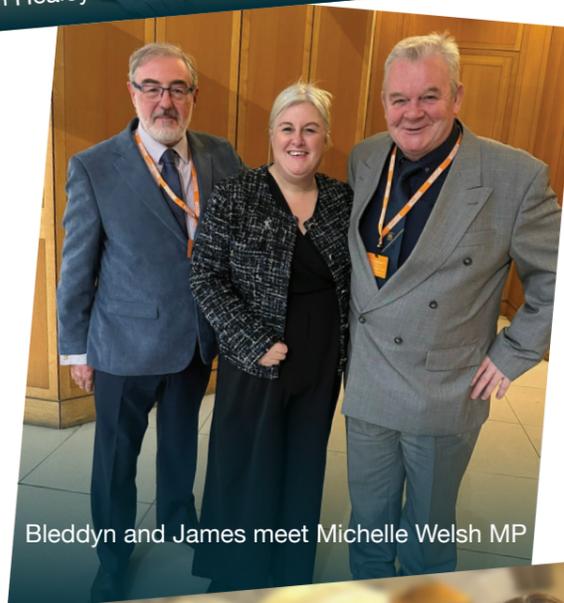
Darren Jones answers a question about BCSSS in the House of Commons – He confirms that the government is considering the Trustees' proposals.



Cheryl Agius (Chair) and Bleddyn Hancock (Trustee) meet Sarah Jones MP



Bleddyn and James Grant (Trustee) meet John Healey MP



Bleddyn and James meet Michelle Welsh MP



Bleddyn and James meet Sally Jamison MP and Lee Pitcher MP

27 January–5 February

The Trustees write to 36 members of the Welsh and Scottish Assemblies and several members of the House of Lords to give them background on the Scheme and to suggest a meeting.

9 February

Darren Jones answers questions about BCSSS in a BBC East Midlands interview. He says that there's work to be done to understand the risks of transferring the investment reserve to members.

13 February

The Trustees write to Darren Jones, pointing out the strong financial position BCSSS is in and the economic benefits of making the transfer.

March

Trustees continue to meet with many MPs who represent BCSSS members, including the Secretary of State for Defence, John Healey. Every MP the Trustees meet agrees to support our call for equal treatment for BCSSS members. On 28 March, the Trustees write to 58 MPs stressing the economic benefit of the transfer to local communities.

3 April

The Trustees write to the Chairs of the Department for Energy Security and Net Zero, HM Treasury, and Women and Equalities Select Committees to give them background on the Scheme and suggest a meeting.

4 April

The Trustees write to Darren Jones with all the information he needs to make a decision on the investment reserve, such as the valuation report and the rule amendment. A copy of the letter goes to Sarah Jones.

22 April

The Trustees meet with Sarah Jones to again ask that the entire BCSSS investment reserve be transferred to members, and for a review of future surplus arrangements.

The Minister pledges to resolve the investment reserve matter and to act as quickly as possible. A follow-up meeting is scheduled for 11 June.

After this meeting the Minister's staff will finalise a proposal for transferring the investment reserve. This proposal will be sent to HM Treasury.

For more information on the Scheme and the journey so far, visit bcsss-pension.org.uk/news

Good news on the Scheme's finances



The Scheme's actuary recently completed our latest valuation. This means they worked out how much money is in the Scheme, and how much is needed to pay members' pensions

You can find a full summary of the valuation on the Scheme website. But it's worth knowing that the result of the valuation is positive for members – the Scheme is in good health.

At the valuation date of 31 March 2024, it only needs to achieve yearly returns of half a percent less than RPI inflation. So, in a year when inflation is 2%, a return of 1.5% would be enough to keep paying all members' pensions. The safest investments, such as UK government bonds, provide returns of around half a percent a year above inflation. So, even if the Scheme invested only in very low-risk assets, we would have more than enough money to pay everyone's pensions, both now and in the future.

If the government accepts the Trustees' request for equal treatment of BCSSS members, we believe the Scheme will have enough money to make the extra payments needed.

Your pension benefits are safe

Whatever happens to the Scheme's finances, it's important to remember that your pension benefits are guaranteed by the government. Whatever happens in global politics and financial markets, your BCSSS pension will always be paid.

This government guarantee has been in place since 1994. The Trustee would not consider giving up the guarantee in exchange for the investment reserve or a review of future surplus sharing arrangements. The guarantee does not form part of our discussions with the government. It will remain in place, whatever decision the government makes about the investment reserve.