**Council 29 June, 2021**

**Motion**

The Business, Energy and Industrial Strategy (BEIS) Committee has conducted a short inquiry into the Mineworkers' Pension Scheme, and in particular the Scheme’s surplus sharing arrangements.

When British Coal was privatised in 1994, an agreement was made between the Government and the Trustees of the Mineworkers Pension Scheme (MPS) on future arrangements for pensions.

The Government guaranteed that pensioners would always receive the benefits they had earned up to privatisation, and that these benefits would increase in line with inflation. However, in return for this guarantee, the Government was also entitled to receive 50% of any surplus in the Scheme’s value at subsequent valuations. The remaining 50% of the surplus was to be distributed to pensioners through improved benefits.

The BEIS Committee inquired into how the surplus-sharing arrangements were agreed, the Government's role as Guarantor of the Scheme, and the continued appropriateness of the 50:50 split.

The Committee’s Report was published in April 2021 and found that *“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.”*

Darren Jones, Chair of the BEIS Committee, said:

*“The Government has benefited from billions of pounds of surpluses since 1994 without having to contribute a pound of taxpayers’ money to miners’ pensions. Mining communities have suffered from pit closures for generations, with many pensioners now living on low incomes.*

*“Whilst the Government’s guarantee to the pension fund has provided vital security to Mineworkers’ Pension Scheme members, it’s clear that the Government has profited to a far greater extent than originally envisaged. That now needs to change.*

*“The Government should now act quickly on our recommendations by agreeing to hand back more of future surpluses to pensioners and delivering an immediate uplift through the return of the £1.2bn investment reserve.”*

The Report concluded by saying *“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.”*

This is an important issue for the former mine workers in Mansfield and the surrounding former coalfield area and one that needs strong and immediate attention by the Government as many of these older former Miners are passing away having had to survive on a lower pension than they deserved.

It is proposed:

1. That Council support the conclusions and recommendations of the BEIS Committee inquiry.
2. To write to the UK Government to encourage them to accept the conclusions and recommendations of the Committee.

Proposed by: Executive Mayor Abrahams

Seconded by: Cllr Brian Lohan

Supported by: Cllr Andy Burgin