



Department for
Communities and
Local Government

Matt Wrack
General Secretary
Fire Brigades Union
Bradley House
68 Coombe Road
Kingston-upon-Thames
Surrey, KT2 7AE

Brandon Lewis MP
Parliamentary Under Secretary of State

**Department for Communities and Local
Government**
Eland House
Bressenden Place
London SW1E 5DU

Tel: 0303 444 3430
Fax: 0303 444 3986
E-Mail: brandon.lewis@communities.gsi.gov.uk

www.gov.uk/dclg

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Dear Matt,

I am grateful for the constructive discussions that took place last week with officials. I can confirm that we are content to explore further the actuarial variations that you have suggested on the scheme design. On the proposed revaluation rate and bespoke reduction factors, we have asked the Government Actuary's Department (GAD) to undertake those costings. We have asked GAD to prioritise this work. Whilst the consultation concludes on 12 March, this does not prevent us continuing to discuss the scheme design after the consultation deadline.

On employee contributions, GAD are finalising the membership projections for the 1992, 2006 and 2015 schemes following their detailed analysis as part of the valuation exercise. These revised projections will mean that we are able to continue our discussions on employee contributions for members who transfer to the 2015 scheme with more certainty and enable us to explore in more detail the alternative options that were discussed recently with officials.

We have also made progress with the retained pension settlement and intend to make the Orders implementing the agreed terms within the fortnight. Our solicitors will be in touch with yours shortly to agree the terms of a letter informing the Employment Tribunal of this outcome.

I understand that you are continuing to discuss the fitness and capability principles with the employers this week. I remain available to help a resolution to be reached with the employers if you would find that useful.

BRANDON LEWIS MP