

Amendment NC1 (for Hansard extracts see next page)

Tabled by Olly Glover, Steve Darling, Wendy Chamberlain, Charlotte Cane, Edward Morello, Sarah Dyke, Vikki Slade, Ian Sollom, Will Forster, Christine Jardine

To move the following Clause—

“Independent review into pension losses incurred by former employees of AEA Technology

(1) The Secretary of State must, within three months of the passing of this Act, commission an independent review into the pension losses incurred by former employees of AEA Technology who—

(a) transferred their accrued pension benefits out of the UK Atomic Energy Authority(UKAEA) public service scheme to AEA Technology (AEAT) on privatisation in1996, and

(b) suffered financial losses when AEA Technology went into administration in 2012 and the pension scheme entered the Pension Protection Fund (PPF).

(2) The review must examine—

(a) the extent and causes of pension losses incurred by affected individuals,

(b) the role of Government policy and representations in the transfer of pensions during the privatisation of AEA Technology,

(c) the findings of the Public Accounts Committee and the Work and Pensions Select Committee,

(d) the adequacy of safeguards provided at the time of privatisation,

(e) potential mechanisms for redress or compensation, and

(f) the estimated financial cost of any such mechanisms.

(3) The review must be—

(a) conducted by an independent panel appointed by the Secretary of State, with relevant expertise in pensions, public policy, and administrative justice, and

(b) transparent and consultative, including engagement with affected pensioners and their representatives.

(4) The panel must report its findings and recommendations to the Secretary of State and lay a copy of its final report before Parliament within 12 months of its establishment.

(5) The Secretary of State must, within 6 months of the publication of the report under subsection (4), lay before both Houses of Parliament a statement setting out the Secretary of State’s response to that outcome.”

Extracts from Hansard

Olly Glover

I welcome that the Government have tabled these amendments to strengthen the Pension Protection Fund arrangements. However, that will be of little use to those such as the AEA Technology pension campaigners, about whom I have met the Minister. Despite many Select Committee reports and National Audit Office findings, they were badly advised by past Governments and have not been given a route to redress. I invite the Minister to reconsider his past decision and consider new clause 1.

Torsten Bell

I do not agree with the premise of the hon. Gentleman's question, because I think that members of the scheme he mentions will benefit from the improvement in pre-1997 indexation within the PPF, albeit I am sure they would rather not be within the PPF, which applies to most people who have fallen into it. All I would gently say is that the change we are introducing was refused by Liberal Democrat Pension Ministers during the coalition Government, so this is a big step forward and will make a difference to others.

Steve Darling

We also welcome the British Coal staff superannuation scheme carve-out announced in the Budget last week. I suggest that the Minister ought to listen to my hon. Friend the Member for Didcot and Wantage (Olly Glover) and other colleagues. My hon. Friend's new clause 1 relates to the AEA Technology. There is a strong case for that, as the National Audit Office has confirmed. I ask the Minister, with all due respect, to reflect on that and see it as an opportunity for another carve-out. Politics is about remedying such injustices.

Sir Julian Lewis

I applaud what the hon. Gentleman has said about the AEAT pensioners' difficulties. It is quite shocking that, despite the fact that a previous Conservative pensions Minister, Paul Maynard, said that he would instruct his civil servants to work on a redress scheme, changes of Minister and Government have meant that the machine has carried on as before, even though a parliamentary Committee did an investigation, found in favour of the pensioners and said that they should get redress.

Steve Darling

The right hon. Member makes a powerful point. I am sure that the Minister will take note and reflect on it further.

Vikki Slade

Like others in the Chamber, I welcome the long-overdue decision to provide some indexation for pre-1997 pensions in the PPF and FAS, but let us be clear: this is not full justice. These pensioners have endured decades without inflation protection, and a CPI increase capped at 2.5% starting in two years' time, at a time when the cost of living has soared, is still going to leave people struggling. They expected fairness and parity with post-1997 benefits, but what they have received is a compromise that falls short of restoring their full dignity and security in retirement. I call on Ministers to support the calls of many people, including the hon. Member for Llanelli (Dame Nia Griffith), to ensure that pensioners outside the PPF and the FAS are fully supported.

The case of AEA Technology pensioners is a long-running injustice that I have been dealing with since my first days in this place. Employees, who were often nuclear scientists and safety engineers, were promised pensions "no less favourable" than the civil service scheme, and many worked at the Winfrith atomic energy establishment, just outside my constituency in Dorset. I have met and talked to a number of them, including Peter, Phil, Sally and Michael, as well as Jonathan, who wrote to me saying that "nearly 20% of AEAT pensioners have died since the campaign started in 2012, including my colleague and campaigner Derek Whitmell. This has echoes of the Post Office and infected blood scandals. Delay by the Government is simply unacceptable...this is now in sharp focus for me with Derek's passing".

Those pensioners trusted the promise that the Government gave them at the time, yet after AEAT collapsed, their pensions were cut by almost half, with inflation protection stripped away. Today, the fund holds far in excess of what is needed to restore their pensions in full, yet thousands of them remain short-changed.

I recognise the changes in the pre-1997 pensions announced last week, but they are woefully inadequate. That is not just unfair; it is a breach of trust. New clause 1, tabled by my hon. Friend the Member for Didcot and Wantage (Olly Glover), calls for an independent review so that we can finally deliver justice for those pensioners, just as the Government have started to deliver justice on many other historical scandals, which I welcome. This is one of those scandals.