

Dear Hazel,

Thank you for contacting me about police pensions.

I value the professionalism of police officers and the contribution that they make to fighting crime and keeping this country safe. However, the nation's deficit is running at £155bn. Reducing that deficit, putting the finances back on a stable footing and continuing to ensure economic recovery is the most urgent issue currently facing Britain.

As you may be aware, Tom Winsor, the former Rail Regulator, is currently leading a review of police terms and conditions, which will report in due course on any reforms to be made to ensure police terms and conditions are fair to and reasonable for both the taxpayer and police officers and staff.

As regards pensions, public service pension benefits continue to outpace both private scheme benefits and the contributions that are collected to fund them, with taxpayers' money currently meeting the difference. This cannot continue to be justified at a time when public expenditure needs to be controlled. That is why this Government set up the Independent Public Service Commission, chaired by Lord Hutton, to make recommendations on how such pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer.

In his interim report, Lord Hutton highlighted the importance of the public sector to the health of our society and the success of our economy. Public sector pensions serve as a reward for public service. Lord Hutton is particularly concerned to ensure that changes to public service pensions do not undermine either of these objectives. The Government welcomes Lord Hutton's interim report and it will give careful consideration to the recommendations of the final report, which will be published in time for the 2011 Budget.

The change to using the Consumer Prices Index (CPI) rather than the Retail Prices Index (RPI) as the basis for increases to pensions is another important part of reforming public sector pensions. The Government's intention for the change is not to penalise or disadvantage public sector employees and pensioners. The change has been made because it believes that CPI is a better measure of the general level of prices for indexing pensions and benefits, whilst also improving arrangements for managing public funds and aiding the sustainability of pensions.

I can assure you that this Government is committed to providing public service pensions that are sustainable, fair and effective and that the Government and I value the enormous and brave contribution police officers make to keep this country safe.

Thank you once again for taking the time to contact me.

Yours sincerely,

Ed Vaizey MP

Minister for Culture, Communications and the Creative Industries  
Member of Parliament for Wantage and Didcot

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