This is the reply from Dr Liam Fox MP

Dear Mr Hambly

Thank you for your letter about the Government’s proposals to alter the inflation index used to uprate police pensions from the Retail Price Index (RPI) to the Consumer Price Index (CPI).

I do understand your concerns about your pension and realise that you feel that using the CPI means accrued rights are not being protected. However, legislation to uprate public service pensions requires the Secretary of State to increase pensions in line with the general level of prices, estimated in such manner as the Secretary of State thinks fit. As a result, I believe that the Government is fulfilling its commitment to increase public service pensions in line with the general level of prices as it considers the CPI to be a more appropriate measure of pension recipient’s inflation experiences than RPI.

As you are aware, the Chancellor of the Exchequer announced in the Budget that the Government has appointed former Labour Secretary of State, the Rt. Hon. John Hutton MP, to review the long-term affordability of public sector pensions, while protecting accrued rights. I would like to reassure you that the Government has given an indication of its commitment to protect accrued rights in the terms of reference for the Independent Commission on Public Service Pensions. It is to make recommendations for arrangements for public service pensions that are “sustainable and affordable in the long term, fair to both the public service workforce and the taxpayer and consistent with the fiscal challenges ahead, while protecting accrued rights.”

An interim report was published in October and the Government will respond to the report in due course as part of the spending review. I will pass on your views to the Chancellor as your request. However, I doubt that he will be able to respond in the run up to the Budget.

Yours sincerely,

LIAM FOX

Parliamentary Office of the Rt Hon Dr Liam Fox MP

Secretary of State for Defence