

### Annual General Meeting

The sixth ROPA annual general meeting was held at Nottingham on the 7<sup>th</sup> April 2004. Thirty three members attended. Brian Johnson, Bernard Potter, and Norman Cowdrey (all having agreed to serve another term) were re-elected as Chairman, Secretary, and Treasurer respectively. The other active members of the Council are, Doug Llanwarne (President), Gordon Williams (Webmaster and 'Links' man), Frank Spencer (Membership Secretary), Les Spencer, Rod Rawson, and Barry Kingdon. Bernard Moore is currently unable to attend meetings due to ill health. We wish him a speedy return.

We also wish Jim Kelly well in his retirement, after serving many years as our Pensioner Trustee, and Council Member. Thanks Jim!

A revised Constitution was presented to the ROPA. AGM. This took into account the changed description of ROPA (now the Royal Ordnance Pensioners Association), and corrected some clauses in which the wording, and certain references, had become out of date. There is no change in the principal objectives of ROPA, to protect our scheme benefits, seek improvements when possible, and making our views known at Company and Government level. If anyone would like a copy of the revised Constitution, please contact Bernard Potter.

### Pensioner Trustee's Report

I have now attended two Trustee Board meetings. My initial impression is that the Board conducts its business in a very efficient manner and that it receives proper professional advice on what are complicated matters, which are generally beyond the knowledge and experience of its members. At both meetings the recommendations from the advisors and the Company representative have been non-contentious. Perhaps things will become more interesting in 2005 when the Actuary presents his 3-yearly report and new contribution rates have to be considered.

In the January 2004 Newsletter, I indicated that in September 2003 the funding deficit had fallen to £50M and that by the end of the year it should have reduced a little more. That prediction was correct and the indications are that it should have improved still further over the last six months. The likelihood is however that the fund will still have a deficit between assets and liabilities when the 3-yearly Actuarial Review is conducted on 31.12.2004.

The subject of ROPA's website arose at my first Board meeting. I repeated ROPA's offer to consider

any references which trustees felt were incorrect or objectionable to them. No replies were received and at the subsequent meeting the Board item was closed. Two TU representatives continued to indicate that they would be pressing their union to pursue unspecified action. Discussion of our website did however prompt me to write the following letter:

*1st. July 2004.*

*To all RO Pension Fund Trustees,  
BAe. Pensions Policy Unit contacts,  
TU. National Officers  
and ROPA members.*

*At the Trustee Board meeting on 9<sup>th</sup> June 2004, it was suggested that the tenor of ROPA's website reporting was negative, particularly as within BAe. the RO schemes are regarded as the best in terms of the benefits provided. The trustee expressing this thought qualified his comment by indicating that he knew little of ROPA's history and background.*

*These comments prompted me to question why we should be assessed in this way and to commit my reactions to paper. It*

*also occurred to me that recording ROPA's background might be useful to new Pension Scheme Managers, Chairman of Trustees and Personnel Directors. Since 1997, we have had four different people in each of these important posts, a fact which in itself may have contributed to a lack of understanding.*

*In the interests of brevity, I have illustrated our frustrations by reference to just two issues which we have been pursuing for a number of years. These two catalogues (set out in appendices 1 and 2) of broken understandings, inordinate delays and illogical obduracy have not dissuaded us from continuing to pursue our legitimate aims and since all problems are merely challenges, the ROPA Council has asked me to give this note a wide circulation in the hope that it will generate positive discussions and outcomes. In particular we are seeking the establishment of a properly constituted consultative forum and a mechanism for the future democratic appointment of member nominated trustees.*

*Brian Johnson.*

Continued..

**Our chairman  
issues two  
challenges for  
BAE Systems**

## Appendix 1

### Consultation with Pensioners

1. In 1995 the Trustees established the Networker organisation "to provide a communications channel". When however the networker volunteers raised the concerns, which pensioners were expressing to them (use of fund surpluses, make-up of the trustee board, future of RO etc....) they were told that such issues were not for discussion. The communications channel was in fact a one-way street.
2. Frustrated at this, a number of networkers founded ROPA and advised the Chairman of Trustees that they intended to commence recruitment advertising (26.8.1998). This brought about a change in attitude towards the networkers. Two representatives met the Admin. and Audit Committee and a subsequent special meeting of the trustees (4.2.1999) decided that in future ROPA should interface with the Company's representatives, not the trustees, and the networkers role would be confined to social events.
3. During 1999 regular meetings were held with the Personnel Director. ROPA was recognised as the organisation to represent pensioners, the Company issued recruitment letters on our behalf and ROPA agreed to an election process planned for 2000. As the recognised pensioner body, we proposed Jim Kelly to fill the vacant pensioner nominated post in 2000. Unfortunately the election process never materialised and increasingly there were lengthy delays in obtaining responses to questions. At the same time it was found that the Company had spent £215m of fund surpluses and pensioner concern about the future of RO.plc increased.
4. In October 2001 we were advised that BAe. were reviewing pensioner consultative arrangements with a view to establishing a Company wide forum. In 2003 we were told that RO. not BAe. had recognised ROPA (not true) and that with the establishment of the new forum management saw no need to consult with ROPA.
5. We nominated three members for election to the new body and all three nominees were elected. However, at the first meeting (2.3.2004) we found that there was no constitution and the intention was to only discuss general (rather than scheme specific) issues. To date no further meetings have been scheduled. We did however discover that both the Main and the 2000 plan representatives already enjoyed the kind of consultative arrangements which we have been seeking for 7 years!
6. **The challenge is to establish a consultative body to consider RO pensioner concerns and to have regular meetings with agreed minutes and actions.**

## Appendix 2

### Pensioner Trustees

1. When the RO Pension Scheme was set up in 1984 there were no pensioners. All of its members were contributing employees and they were represented on the Trustee Board by 5 TU nominated trustees. This arrangement was in advance of its time.
2. By the end of 1994 the membership demography had changed. Only 24% were employee members, but the make-up of the Board remained the same as in 1984. The networkers and subsequently ROPA asked for pensioner representation and eventually in 1997, after a very negative balloting process (involving writing if you disagreed with the Company proposal) a single pensioner trustee was appointed.
3. Since its establishment ROPA has sought additional pensioner representation. The Chairman of Trustees/Personnel Director in 1997 indicated that the Company could alter the composition of the Board to reflect evolutionary changes to current arrangements. One Personnel Director promised a sliding scale formula to reflect the growing number of pensioners and the reducing number of employees. Another promised to write a review paper but, if he did, we never saw it. We have been told that the TUs. have been approached. Delaying tactics?
4. In 2003 the company decided that the pensioner trustee should in future be chosen by a 4-yearly election process. Fine, that's democratic, but why doesn't the same process apply to the other 5 member nominated trustees?
5. At 31.12.2003 there were 1911 (11%) employee members, 5668 (34%) deferred pensioners and 9112 (55%) pensioners. The schemes are now closed to new employees, so the number of pensioners will rise and the number of employee members will inevitably reduce to zero. There is no logical reason why the composition of the Board should remain as it is, so the Company does not explain its stance, it just says "no". It has been suggested that RO cannot have more pensioner trustees than there are in the BAe Main scheme, but there are 50,000+ employees in that scheme. The demography of its membership is entirely different. ROPA welcomes the recent acknowledgement in the Trustee's Statement of Investment Principles that investment policy must reflect the demographic profile of the scheme's membership. Surely the composition of the Board should do the same.
6. We are aware of companies which select all member nominated trustees by balloting all members. Some specify a minimum number of pensioners or employees others do not. Our scheme was once ahead of its time on this subject; it isn't now.

**7. The challenge is to establish a democratic process for the appointment of all member nominated RO trustees which reflects the inevitable demographic changes in membership**

I hope to have something positive to report to you on these issues in the next Newsletter. If you are wondering what all the fuss is about with regard to the website, you might like to key into it at the address shown on our letterheading.

**BAE Pensioners Consultative Committee**

As indicated in our January Newsletter, ROPA's nominees (Brian Johnson, Frank Spencer and Rod Rawson) are now the representatives for Royal Ordnance Pensioners on the above Committee. The first meeting of the Committee was held at Farnborough on 2.3.2004. Unfortunately, they found that in spite of a 2½ years review process the Committee had neither a constitution nor terms of reference. The 20 representatives from the BAe and 2000 Plan schemes seemed solely interested in maintaining their existing consultative arrangements. We are pursuing the Company on the subject of proper arrangements for all RO Scheme members.

**All Party Parliamentary Groups (APPGs)**

Bernard Potter and Gordon Williams have continued to attend the APPG on Pensioner's Income, and the latest meeting, held on 15<sup>th</sup> June, had, as its main topic, "What is a 'modest but adequate' State Pension. This was discussed at length with presentations by three eminences, and the conclusion was that £105 was that figure, excluding housing costs. Also, that approximately £160 represented an 'adequate' living standard, but some incentive was necessary for personal pension provision as a top-up to what the State provides. It was also generally agreed that something other than the record of National Insurance Contributions, such as Citizenship or Residential, should be the qualifying factor for receipt of the State pension. This idea is being taken up quite widely nationally now.

There is one other APPG, which is to do with Occupational Pensions. No ROPA representative has been invited to attend this, but Roger Turner, Executive Officer of the Occupational Pensioners' Alliance (OPA) has been co-opted. This is good news for us, as Roger is well known and respected in Parliamentary circles and, as reported elsewhere in this newsletter, has prompted several MPs and Peers to seek amendments to the Pensions Bill 2004.

**The Pensions Bill 2004**

In our last newsletter we identified all of the major factors that featured in the Governments consultation paper on Pensions. These have now been consolidated into the Pensions Bill 2004. It is a huge Bill which covers: The Pension Protection Fund, The New Regulator, Member Nominated Trustees, new Wind-up Regulations, Transfer of Undertakings Protection of Employment (TUPE), aspects of Occupational Pensions and State Pensions.

ROPA and OPA have been monitoring the Bill closely, and OPA (Roger Turner particularly) have been energetically lobbying for amendments which seem necessary to protect, and further, pensioner interests. In particular, the Minister for Pensions has promised to include provisions for a more inclusive and fairer process for Member Nominated Trustees, and to consider legislating for a) Employers to recognise Pensioner Associations (that fulfill certain criteria), and b) Employers and Trustees to keep pensioner members informed of potential changes in Company status (wind-ups, take-overs etc.,) that may affect them.

The Bill has passed through all of its stages in House of Commons, and is currently progressing through the House of Lords.

**Links to Other Organisations**

Gordon Williams, acting as our 'links man', is a member of the Independent Pensions Research Group and the APPG on Pensioners' Income.

OPA has two Regional Groups, London and the SE Region, and the North West Region, both of which hold regular meetings hosting eminent speakers on relevant subjects, to which all pensioners are welcome. It is expected that a representative from the New Pension Regulator (NPR) will feature at a future meeting in each region. The NPR needs to know where our interests lie, and as well as being told what he regards his duties are, this will be an opportunity for us to say what we believe our needs are of him, and his Office. Contact Bernard about the NW Region and Gordon about the SE Region.

Those of you with internet facilities will find a visit to the OPA web-site at [www.opalliance.org.uk](http://www.opalliance.org.uk) well worthwhile. As well as lots of interesting information and links to other relevant sites, it contains details of Regional Meetings, and dates.

In our continuing efforts to develop appropriate links, ROPA has now become affiliated to the North West Pensioner Association - itself affiliated to the National Pensioner Convention, and Bernard and Brian, are now official delegates.

**Local Pensioner Groups**

Our Constitution allows for financial assistance to be given to local groups, and at our last Council meeting it was agreed to make limited funds available to meet 'start up' costs of setting up new local groups which, if nothing else, provide excellent opportunities to meet up with old colleagues and catch up with the latest news. Anyone requiring advice about any aspect of local ROPA groups, please speak to your nearest Council Member, or contact our Chairman or Secretary.

*Brian Johnson*  
Chairman.

*Bernard Potter*  
Secretary