

# FOSPEN NEWS

Editor: Peter Gulliver

July 2017

## 1. Editorial

One of my favourite books is The Black Swan by Nassim Taleb. He is a Californian economist who is a total disbeliever in predictions. In his view, we

theory. Having digested the takeover of FW by Amec now we have to cope with the impact of the takeover of AmecFosterWheeler by

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have developed a culture of obsessive data collection which is then used to predict the future with great accuracy and certainty. He believes our lives are determined by Black Swans, unpredictable events. The title derives from the early belief that all swans were white until somebody went to Australia!

Recent events must surely support the Black Swan

the Wood Group - not to mention politics.

A lot has happened since our last Newsletter. The committee has largely renewed itself - details to follow, and we have some encouraging feedback re Wood Group. Also included is an update of the status of the Hewlett Packard Pensioners' Association's

## Committee Members

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Roy Davies: Chairman

Richard Williams: Treasurer

Graham Martin:  
Membership Secretary

Brian Cooke: Secretary

Robert Monk: IT

Eric Lewis:  
Venue Coordination

David Robertson:  
Company News

Tony Clipstone

John Parry (PCC member)

Philip Young

Helen Dixon

campaign and an overview of our Annual General Meeting - enough to be getting on with!

## 2. Committee News

We have a new Chairman! Being Chairman is a demanding job and Ian Adams felt that after 7 years it was time for a new face to take on the task of steering us through yet another upheaval. Fortunately Roy Davies has come forward. . He is uniquely qualified for the task ahead.

Roy was recruited by Eric as an internal auditor in 1971 before being assigned to Bangladesh in 1976 and after a short stint in Iran he was assigned to Saudi Arabia for three months. After six years as financial/commercial manager, he returned to the UK and was involved in the disposal of the nuclear and boiler businesses of FWPP. He later joined the Tax Dept. in 1993 and in late 1995 was appointed business manager by FW Italiana on

the first ethylene glycol project in Kuwait. After that he was appointed director of FW Continental Europe responsible for project administration and international taxation until retirement in 2012. Roy is also a member of the AmecFW Pensions Consultative Committee (PCC).

See the box for the full committee membership.

I have joined Ian on the transfer list - in my case, after 14 years. So for those of you who come to the meetings, there will be no more stories of Norfolk or the going ons in Woodley.

## 3. Wood Group Takeover

The Wood Group have made an unexpected offer of £2.2 billion for the takeover of AmecFosterWheeler. The board and subsequently the shareholders of both companies have endorsed the offer.

Closure is expected by the end of the year. The bid will require the agreement of a

number of competition regulators but Wood Group have already disposed of a number of assets to satisfy any likely objections.

Obviously, our concern, also shared by the Amec pensioners, is the possible impact of the takeover on our pensions. Wood Group have a relatively small pension population and the Amec and Foster Wheeler schemes represent a massively increased pension liability.

The AFW Pension Plan Trustees have been in contact with WG since the proposed take-over was first intimated, ie before the public announcement in March. The main thrust of discussions turned on the question as to how the Plan would be protected post take-over. In subsequent meetings with WG, the Trustees underlined the scale of the AFW Plan compared with WG thus re-emphasising the need for continued protection. No change is anticipated until after the actuarial valuation due in Q1 2018.

The above is good news and very encouraging for the

future security of our pensions.

#### 4. Hewlett Packard Pensioners' Association

In the last Newsletter, we included a report on the heroic efforts of the Hewlett Packard Pensioners' Association campaign to highlight to HMG the plight of the forgotten pensioners.

Fospen submitted a response to the Government Green Paper and several individual pensioners also sent in submissions. Sadly the Government's response seemed more concerned with reducing companies' pension liabilities, with little or no reference to our plight - don't hold your breath!

HPPA are now investigating a new idea which is to use the Equalities and Human Rights (EHR) legislation to prove that the lack of pre-1997 pension increases may be a discrimination. A favourable ruling would seriously impact on non-compliant companies' ability to secure Government contracts. HPPA are trying to set up

a Westminster meeting in September or October but do not have a date yet.

#### 5. AGM 2017

The AGM was well attended and Ian Adams in his last Chairman's report was able to present a positive report on Fospen activities.

Phil Gladman has now been appointed as one of the 9 people on the AmecFosterWheeler Trustee Board. This puts Phil on the top table - congratulations, Phil!

We also have 5 ex-FW personnel on the PCC Board. Altogether we are well represented in the AmecFosterWheeler Pensions Organisation.

We had two guest speakers - Garry Lloyd from AmecFW and Steve Spillane from HPPA.

Garry reported on the successful completion of the amalgamation of the AmecFW pension funds and the inclusion of 6 former FW pensioners, in the new structure.

He also reported that the value of the DB fund has increased to £2.7 billion but that the overall funding position has weakened due to lower bond yields. The current level was still around 90 to 92%.

Steve's presentation is summarised in item 4.

#### 6. Conclusion

I'm sorry this newsletter is a bit turgid but sadly the DB pension sector is under pressure from all directions.

#### 7. Next meeting

The next meeting will be on 30 November, 2017.

*The Editor on Holiday*



Layout: Ian Waddy