

Committee: RESOURCES COMMITTEE

Agenda Item

Date: 17TH November 2005

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Title: Pension Scheme- Proposed Changes

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Item for decision

Summary

This report asks the Resources Committee to agree to the sending of a letter to the Government seeking an early resolution of the current dispute regarding changes to the Local Government Pension Scheme.

Recommendation

That this Committee agrees to the sending of a letter to the Government seeking an early resolution to the current dispute regarding the Local Government Pension Scheme.

Background Papers

The following papers were referred to by the author in the preparation of this report and are available for inspection from the author.

1. Email from the Employers' Organisation dated 4th November 2005 providing the updated position on the Tripartite Committee negotiations regarding the Local Government Pension Scheme.
2. Letter from the Uttlesford branch of Unison dated 27th October 2005.

Impact

Communication/Consultation	None
Community Safety	None.
Equalities	None.
Finance	The cost of employee pensions and the current deficit on the Pension Fund are significant factors in the Council's budget. Any changes to the Scheme finally agreed will be assessed for this purpose.
Human Rights	None.

Legal Implications	None
Ward-specific impacts	None
Workforce/Workplace	The report considers the delay in reaching agreement on changes to the Local Government Pension Scheme, which has a major effect on staff.

Situation

1. The Committee will be aware that several major changes to the Local Government Pension Scheme have been proposed for some time. Disagreements between the Employers' Organisation and unions over these proposed changes were dealt with in May 2005 by the setting up of a Tripartite Committee involving the Employers' Organisation, the unions and the Office of the Deputy Prime Minister, with the Deputy Prime Minister personally chairing the meetings.
2. The latest meeting of the Tripartite Committee on 2nd November 2005 recorded significant progress towards changes in the Scheme to take effect from 1st April 2006 and also laid out a timetable for more fundamental reform of the Scheme effective from April 2008.
3. A few days before the 2nd November meeting, the Uttlesford Branch of Unison, the main staff union involved, had submitted a letter to the Council asking for 'urgent help in securing justice for members of the Local Government Pension Scheme'. The letter explains the Union's position regarding the negotiations.
4. The Council is in a difficult position regarding this issue. As a good employer it would no doubt wish a speedy resolution of the dispute and a way forward that provides staff with adequate and fair pension provision. However, the Council is represented in the negotiations by the Employers' Organisation and must have faith in their handling of the issue on the Council's behalf. There is also the significant deficit on the Council's Pension Fund to consider, with a large annual contribution from the Council's budget being likely for the next few years at least, with a corresponding effect on council tax payers. In the circumstances it is considered appropriate for the Council to support an early resolution of the current dispute in order to remove the uncertainty that staff are feeling.

Risk Analysis

5. There are no risks associated with this issue.