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PUBLIC SECTOR PENSION NEGOTIATIONS MAKE LIMITED PROGRESS

Following last week's profoundly unhelpful statements from government regarding their talks with unions on changes to public sector pensions, the Ministers involved: Francis Maude and Danny Alexander, stated a commitment to continue to negotiate with unions on reforms at the latest meeting held yesterday (27 June).

There was progress made on a number of points but the key issues of the value of pensions and how much people have to pay for them remain on the negotiating table. It is the TUs belief that these things are best negotiated in each of the public sector pension schemes whereas government wants to set them centrally. Although negotiations are continuing into July those unions due to strike on 30 June do not feel that sufficient progress has been made to call off their action.

GMB have been calling for government to recognise the distinctiveness of the LGPS as it has been apparent to all those involved in the scheme that its funded nature and large proportion of low paid members make it very different from the other public sector schemes. Finally, government have responded to the substantial evidence provided to them and have agreed to hold specific talks on the LGPS alongside the general discussions of public sector pension reform. This is a step in the right direction but there is still a long way to go to ensure that the scheme remains sustainable for members, employers and taxpayers.

Fundamentally, however, government needs to show flexibility in their approach to the substance of the negotiations, not just the form. I expect the first LGPS specific meeting to take place very soon and GMB will be looking for a clear signal from government that they are rethinking the Osborne Pension Tax - the 50% increase in member contributions that threatens the viability of the scheme.

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It is crucial that the future of the LGPS is reformed by those that understand it and have a role to play in its sustainability. That's why I have repeatedly called for the LGPS negotiations to involve Local Government and those that advise and manage the funds and their £150bn of investments.

The NHS, Civil Service and other public sector schemes need focused negotiations as well. Each scheme has its own unique features that cannot be addressed through broad brush government policies without serious consideration being given to the impact on particular workforces. For example, the NHS Scheme is strongly cash positive - that is more contributions come in than expenditure out - so why do members need to pay any more? The NHS also has a commendable record on work being done in partnership between Trades Unions, Employers and Government. It is right that that should continue. Just as with the LGPS, I believe the other schemes would benefit from being able to negotiate their own futures.

For all these reasons, GMB remains committed to the policy of negotiating the best proposals we can while preparing for industrial action should negotiations fail.

We are not at that point yet and I will keep you informed.

Brian Strutton

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