

Report

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Report to:	Corporate Resources Committee
Date of Meeting:	4 May 2005
Report by:	Executive Director (Corporate Resources)

Subject:	Proposals to Amend the Local Government and Teachers Pension Schemes
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1 Purpose of Report

1.1 The purpose of the report is to:-

- ◆ advise the Committee of the current position on proposals to amend the Local Government and Teachers Pension Schemes.

2 Recommendation(s)

2.1 The Committee is asked to approve the following recommendation(s):-

- (1) that the Council's response in principle to the consultative process be agreed as follows:-
 - ◆ all public sector schemes should be dealt with in the same way and on the same timescales
 - ◆ existing scheme members should be offered protection along the principles of you have what you hold
 - ◆ the trade unions should be fully involved in developing the new pensions arrangements
- (2) that the above be communicated to the Convention of Scottish Local Authorities (COSLA) as the formal position of the Council

3 Background

3.1 As part of a major review of pension arrangements, the Government has been consulting on proposals to amend all public sector pension schemes, including the Local Government and Teachers Pension Schemes in Scotland.

4 Current Position

4.1 As part of the process, it had been intended to amend the Local Government Pension Scheme in England and Wales from 1 April 2005 (1 April 2006 in Scotland) raising the minimum retirement age from 50 to 55 and removing the ability of employees to retire before age 65 on full pension. Thereafter from 2008, there would be a fundamental change to the Pension Scheme based on the Government's "Green Paper" proposals. These changes would also be reflected in other public sector schemes.

4.2 Following votes for industrial action by all of the major public sector unions on this issue, the regulations implementing the changes to the LGPS from 1 April 2005 are to be rescinded and the Office of the Deputy Prime Minister (ODPM) has agreed to establish a tripartite Committee with key stakeholders to agree how to develop proposals on pensions that would be affordable and sustainable.

4.3 As part of this, the ODPM has asked for comments on the proposals in the Green Paper to be submitted by 31 May 2005.

5 Scottish Response

5.1 COSLA has written to the Scottish Public Pensions Agency requesting the establishment of a specific Scottish group mirroring that for England and Wales. In addition, COSLA will respond to the ODPM on the general arrangement.

6 Council's Response

6.1 In terms of the importance of this issue and recognition that for Local Authority employees pensions are a major element of employees' pay and conditions of service, the Council agrees that our approach should be:-

- all public sector schemes should be dealt with in the same way and on the same timescales
- existing scheme members should be offered protection along the principles of "you have what you hold"
- the trade unions should be fully involved in developing the new pensions arrangements
- this is communicated to COSLA as the formal position of the Council

7 Employee Implications

7.1 None at this time.

8 Financial Implications

8.1 None at this time.

9 Other Implications

9.1 None.

10 Consultation

10.1 The ODPM and COSLA intend to involve the relevant trade unions in the process.

Alan Cuthbertson
Executive Director (Corporate Resources)

20 April 2005

Link(s) to Council Objectives

- ◆ Resource Management

Previous References

None

List of Background Papers

- ◆ Letters of 1 April 2005 from ODPM and 19 April 2005 from COSLA

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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