

RR/LD

Bob Revie

5 July 2006

TO: ALL MEMBERS IN LOCAL GOVERNMENT PENSION SCHEME

Dear Colleague

LOCAL GOVERNMENT PENSION SCHEME, SCOTLAND

You may have seen press coverage in the last week of proposals issued for consultation by Tom McCabe, Minister for Finance and Public Sector Reform, on the LGPS. These were considered by a delegate meeting of UNISON branches on 30 June 2006. That meeting agreed to ask branches to consult members as widely as possible on the current position and to assess the will of the membership, essentially on whether to continue discussions or re-instate industrial action.

The enclosed briefing paper was intended to be used at meetings of members to gauge the support for the 2 options but given our geographical spread and the holiday period we are consulting you by mail. Please read and consider the points in the attached briefing paper and complete and return the slip attached to the UNISON Freepost address not later than 20 July 2006.

Yours sincerely

BOB REVIE
Branch Secretary

LOCAL GOVERNMENT PENSION SCHEME, SCOTLAND

Briefing for Consultation July, 2006

This meeting notes that Government and Scottish Executive are maintaining that the Rule of 85 must end as it contravenes anti-discrimination legislation (yet to be enacted) and, further, that national and devolved Governments' extended application of this view has hampered negotiations around protection of existing benefits or alternative mechanisms for mitigating the removal of the Rule, should it go. This has been the case throughout the initial rounds of the negotiations that followed the suspension of industrial action in April, including blocking a joint proposal by the Trade Unions and Employers in Scotland that may have formed the basis of a settlement.

This meeting notes that the Scottish Executive's and Government's view is based on advice from the Attorney General, which has not been shared. The Trade Unions view is different, based on our own counsel advice and statements made by a European Commissioner. UNISON is pursuing detailed confirmation from the Commission and has lodged a judicial review to challenge the Attorney General's advice that the Rule of 85 is illegal and has to be removed by October this year. A successful outcome to this review would fundamentally undermine the Government argument and would also cast doubt on the validity of their previous consultation exercise as it would have been premised on assertions shown to be false. In parallel with work being done by the Trade Union actuaries on scheme finances, such a decision will be of immense benefit to our negotiators and dramatically change the nature of discussions.

This meeting also notes the outcome of recent negotiations and discussions with the Scottish Executive, and COSLA undertaken in the context of the legal opinions set out above. The proposals from the Scottish Executive to delay implementation of the abolition of the Rule of 85 to 2008 and to extend the transitional protection to 2020 are a move in the right direction, albeit they do not satisfy the demands of the unions. Although minor, such "concessions" do show that the hard-line position of the Scottish Executive is not intractable and can be seen as a staging post towards achieving the unions' objectives.

It is important to note that

- They are Scottish Executive proposals – they are not a negotiated position with the unions or an "offer" from the employers
- They are not acceptable as final protection proposals to UNISON or to the Trade Union Side. They fall short of equal treatment with the other public sector schemes and our objectives. We have made this clear to the Scottish Executive and COSLA.

This meeting acknowledges that many members are aware that many Pension Funds in Scotland are still able to meet all current obligations and would be able to sustain a progressive approach to future modifications of the Scheme. This has been reflected in statements and submissions from these funds during consultation.

This meeting believes that our members wish to see UNISON vigorously pursue the negotiations and the legal challenges at every opportunity and to maintain this dispute as top priority, ensuring that all appropriate resources are focussed on achieving a successful outcome. In doing this we pointedly remind the Scottish Executive, Government and the Employers that our strike action is only suspended, not called off. This meeting fully endorses the statements made by the Service Group Executive, our negotiators and our General Secretary that if the negotiations break down or are making no progress on the future scheme then we will not hesitate to reinstate strike action and other forms of industrial action to pursue our aims.

This meeting restates that any proposed new-look scheme and proposals for protecting existing benefits will be put to a ballot of all appropriate members before changes are agreed.

Option A This meeting therefore:

1. Agrees to maintain the suspension of industrial action pending ongoing discussions on the future schemes.
2. Instructs the Service Groups to develop suitable mechanisms for a ballot, in conjunction with the other relevant Service Groups and the Service Group Liaison Committee and delegated committees established for these disputes.
3. Instructs the Service Groups to revisit and update an industrial action and strike action plan that can be implemented expeditiously should the negotiations break down. To assist in this the Service Groups should maintain regular discussions with the other service groups and the Service Group Liaison Committee and delegated committees.
4. Instructs the Service Groups and calls on all Branches to continue to provide detailed information to members about the progress of the negotiations and legal challenges.
5. Resolves to step up recruitment and organisation around the LGPS so that the maximum number of scheme members can participate in the campaign to produce a successful outcome of these negotiations and that UNISON organisation is strengthened as consequence of this dispute.

Or

Option B This meeting resolves to:

- (i) call on the National Industrial Action Committee to reconvene the industrial action in Scotland and if necessary to ballot members to protect our pensions immediately so that our negotiators can act from a position of strength;
- (ii) draw up by 31 July 2006 an industrial action proposal including all out one day strikes, one a month, and selective action by particular groups for presentation to the relevant bodies at UK level, in accordance with UNISON Rules.



Aberdeenshire

Option A

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4. Instructs the Service Groups and calls on all Branches to continue to provide detailed information to members about the progress of the negotiations and legal challenges.
5. Resolves to step up recruitment and organisation around the LGPS so that the maximum number of scheme members can participate in the campaign to produce a successful outcome of these negotiations and that UNISON organisation is strengthened as consequence of this dispute.

Option B

- (i) call on the National Industrial Action Committee to reconvene the industrial action in Scotland and if necessary to ballot members to protect our pensions immediately so that our negotiators can act from a position of strength;
- (ii) draw up by 31 July 2006 an industrial action proposal including all out one day strikes, one a month, and selective action by particular groups for presentation to the relevant bodies at UK level, in accordance with UNISON Rules.

Having read the briefing paper I indicate support for the following option (please ✓)

Option A

Option B

RETURN BY 20 JULY 2006

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