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Pensions: Next Stage in Scotland

UNISON's elected representatives have voted to give the union's negotiators the green light to continue negotiations on changes to public sector pensions. At a pensions summit in London yesterday (10 January), the feedback from every region was that the majority of branches and members backed continuing negotiations. The summit discussed the details of the proposals for the Local Government and Health pension schemes and agreed to the frameworks negotiators have developed with UK Government ministers since 30 November.

At the summit General Secretary Dave Prentis made it clear that UNISON took action for industrial reasons, because negotiations broke down. But the strength of the action brought UK ministers back to the table to negotiate properly. He said:

"We will carry on negotiating over pensions - because that's what we do as a trade union and because it's what our members want. But at the same time - we are still in dispute and our industrial action ballot is still valid for further action if needed."

These frameworks **cover the schemes in England and Wales** although, particularly in health, they have implications for the Scottish pension schemes. UNISON's approach to the next stage in Scotland was set out by UNISON Scottish Convener Lillian Macer who yesterday said:

"As the Scottish Government has the responsibility to address these issues in Scotland we call upon Scottish Ministers to explore a distinct Scottish solution for the public service workforce."

Local Government

The LGPS scheme in Scotland has an agreed cost sharing process to address future costs and there will be no contribution increases in the next financial year. The Scottish Government has not taken a position on the wider Hutton recommendations that have driven the discussions in the English scheme. Hutton was a UK Government report and therefore the Scottish Government is not required to take any action on it. However, it has been the cause of delays in progressing discussions in Scotland as set out in Scottish Pensions [Bulletin 28](#).

There are two main reasons for this. Firstly, there could be Barnett funding consequentials from any agreement in England. Secondly, the UK Government would promote primary legislation that would override agreements reached in Scotland. The framework for negotiation agreed in England does not appear to impact on either of these issues.

This means discussions in Scotland will continue under the terms of the 2008 agreement. However, we did declare a dispute with Scottish Ministers and therefore the separate Scottish LGPS ballot remains live if there are any adverse developments.

Health

There is a separate NHS pension scheme in Scotland, although it has closely followed the England and Wales scheme because the Treasury funds it and therefore has a veto over the scheme regulations. There are also Barnett consequential for Scotland of around £140m over three years following from the decision of UK Ministers to increase pension contributions by 3.2%.

While Scottish Ministers made clear their opposition to contribution increases they consulted over implementing them. UNISON Scotland's [response](#) sets out our view that these increases are not necessary. Despite the consultation responses, Scottish Ministers have recently published draft regulations that implement contribution increases on 1 April 2012. There will be a limited consultation during January to enable them to reflect changes at UK level. We therefore expect the final regulations to be tabled in Parliament during February.

The NHS Scotland Staff Side Trade Unions have written to the Cabinet Secretary for Health to formally request specific NHS meetings to explore, in the words of the Cabinet Secretary for Finance, "practicable and workable alternatives to the proposed increases". This initiative is aimed at exploring the prospects of a Scottish solution. As in local government, the separate Scottish health ballot remains live.

Pensions Justice Campaign

At a meeting of the STUC public service unions today, it was agreed to continue the pensions justice campaign. The STUC will also support the call for Scottish Ministers to active engage in a Scottish solution to this issue.

Industrial action

It is important to emphasise that while negotiations will continue at UK and Scottish levels, UNISON is still in dispute and the industrial action ballot from November remains 'live'. If negotiations fail or break down as they did in September, we can still take action. In addition any agreement reached in any pension scheme will be subject to a ballot of members.

More information at:

Scottish Pension Web Pages: <http://www.unison-scotland.org.uk/pensions/index.html>

UK Campaign Web Pages: <http://www.unison.org.uk/pensions/protectour.asp>

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