

## UPDATE LOCAL GOVERNMENT PENSION SCHEME (LGPS) JSCC SEPTEMBER 2011

The Secretary of State for Communities and Local Government has written to the Local Government Group (LGG) inviting it to conduct discussions with the trade unions to establish, by no later than the 9th September 2011, a package of measures to secure short term savings of £900 million by 2014/15, in an effort to reduce or avoid an average contribution increase from LGPS members of 3.2%. Local Government Employers (LGE) and trade unions fear that this will cause a mass opt out from the scheme.

A group consisting of political group Leaders from the LGG, the LGE and the three NJC Joint Secretaries has been established to take these discussions forward.

The Government has set out the following timetable:-

- 9<sup>th</sup> September 2011, deadline for LGG and trade unions to propose ways to achieve £900 million savings from the LGPS from 1 April 2012 as proposed by the Chancellor.
- Government considers the basis for statutory consultation on the proposals.
- End of September – December, 12 week statutory consultation begins.
- October, cost ceiling for the LGPS is set (the limit on how much the 'new scheme' will cost)
- Based on the cost ceiling by end of October, complete the main scheme design for the new LGPS (i.e. Career Average or Final Salary, normal retirement age)
- By end of 2011 complete discussions on the detail of the new scheme.
- January 2012, Consultation responses considered and Ministers' approval for next steps sought.
- February 2012, Parliamentary stages for amending Regulations.
- March 2012, Amending Regulations introduced.
- 1 April 2012, Amending regulations and new contribution rates.
- April 2014, target date for regulations being laid setting out new scheme.
- April 2015, current target date for new scheme starting.

The Trade unions have commenced a "protect our pensions LGPS Campaign". They are calling for TU members to write to MP's, council leaders and councillors to seek more time for research to be carried out into the workings and costing of the LGPS for the initial talks.

UNISON are also preparing to ballot members if it becomes clear that proposals for making the £900 million 'savings' or the longer term future of the LGPS are not acceptable to them. They have announced a UNISON Pensions 'Summit' on 22<sup>nd</sup> September to consider any progress and the next steps for UNISON.