

Workforce Programme Board – report by Mayor Sir Steve Bullock (Chair)

Pensions

Proposed increase in employees' contributions to the LGPS

1. The Chairman of the Group wrote to the Secretary of State (on 21 September 2011) setting out the Group's proposals on how the required 3.2% savings could be achieved in a way which is fair to employees and affordable for the taxpayer (as an alternative to the level of increases in contributions that DCLG might otherwise come forward with).
2. The proposals are recommended to take effect from April 2014 and the main elements are:
 - 2.1 No increase in employee contributions for scheme members whose full-time equivalent earnings are less than £15,000.
 - 2.2 An increase of 1.5% for those earning between £15,000 and £21,000.
 - 2.3 An increase of 2% to 2.5% for those earning over £21,000.
 - 2.4 Recognising that some employees may not be able to afford an increase in their contributions, **an alternative choice for employees** would be to maintain contributions at existing levels and have a lower rate of build up of pension from April 2014.
 - 2.5 Increase the normal age of retirement from 65 to 66 for benefits earned after April 2014 with benefits earned before then retaining a normal pension age of 65.
3. We understand that the Secretary of State will issue a statutory consultation document sometime during October setting out the DCLG proposals for how the 3.2% savings could be met. We would hope that consultation paper will make some reference to the LG Group's proposals and it is our intention to continue discussions with the trade unions.

Pensions - proposed increase in employees' contributions to the Teachers Pension Scheme

4. On 28 July 2011 the Department for Education (DfE) launched a consultation on proposed changes to the employee contribution rate for the TPS for 2012/13. The consultation closes on 20 October 2011.
5. The LG Group will respond to the consultation paper and the response will reflect the views of the National Employers Organisation for School Teachers (NEOST) which considered the questions posed in the consultation paper when it met on 19 September.

Strike action

6. Nine unions - including Unison, Unite, the Fire Brigades' Union, Prospect and the GMB - announced at the TUC's annual conference in mid-September that they were preparing to ballot for industrial action or to register "trade disputes" with the government. Four others who took industrial action in June - the Association of Teachers and Lecturers, the National Union of Teachers, the Public and Commercial Services Union and University and College Union - do not need to hold another ballot if they want to strike. The National Union of Head Teachers has announced that it will ballot members, starting on 29 September.

Fire

7. Fire service sector specific discussions in relation to Government pension reform proposals are continuing to be held in a constructive manner. However, as part of its planning should industrial action become a reality for the Fire Brigades Union, it has written to CLG advising Ministers that a trade dispute exists.
8. Any subsequent notification of ballot will be provided directly to fire authorities as the employers. LG Group officers are working with CLG on the industrial relations implications and keeping fire authorities informed.

Pay briefings

9. The National Employers will be holding Regional Pay Consultation Briefings during November. The briefings will give councils the opportunity to discuss first-hand the approach they would like the Employers to take in next year's pay round. For the date, time and venue of your local briefing please contact your Regional Adviser.

School teachers

10. LG Group officers have submitted views to the Department for Education on a draft model policy on teacher appraisal and capability, to be implemented no later than September 2012. This follows an official NEOST response to the draft consultation on the same, which concluded in August. These views and those of other stakeholders will now be taken to ministers. The new model policy will accompany new regulations, which will replace the current performance management arrangements for school teachers.

Contact officer: Sarah Messenger
Position: Head of Workforce
Phone no: 020 71877342
E-mail: sarah.messenger@local.gov.uk