



No. 21

March 2011

Hutton Report

The long awaited report by Lord Hutton on public service pension schemes was published this morning. As expected he is recommending long term structural reform of the pension schemes that more than one in four Scots depend on.

General Secretary, Dave Prentis, has summed up UNISON's reaction:

"Whatever the Hutton report may say about fairness, the Government will use it as a Trojan horse to raid the pensions of hard working public sector workers. Pensions that our members have paid into year in year out and which are fair and affordable. In fact, even before the report today, the Government announced they were increasing employee contributions by 50%. There is a lot of nonsense talked about public sector pensions – they are not gold plated. The average is very low - in local government, the average is just over £4,000, falling to £2,800 for women.

Asking workers to work longer for less is simply not an option. We want to talk to the Government about their response as a matter of urgency. But I am sending out a clear message to our 1.4 million members warning them that industrial action is now one big step closer."

This report was commissioned by the UK Government. The regulation of public service pension schemes is devolved to the Scottish Government. On the key issue of increased contributions, that we covered in the last bulletin, the Cabinet Secretary has indicated that no decision will be made on this issue until after the May elections.

Attached to this bulletin is a summary of the recommendations in the Hutton Report and a commentary on the implications for the Scottish schemes. Given the length and complexity of the report this is an initial analysis. The full report can be viewed at:

http://www.hm-treasury.gov.uk/indreview_johnhutton_pensions.htm

The key point we have made in media briefings today is that the Chancellor's decision to use Lord Hutton's report as cover for 50% contribution increases has fatally undermined his recommendations. The £375m raised from Scottish public service workers will go straight into the Treasury - not the pension schemes. This is little more than a tax on scheme members and will result in further opt-outs from the scheme, placing new burdens on welfare benefits.

Further analysis from a UK perspective will be available on the UK pension pages:

<http://www.unison.org.uk/pensions/protectour.asp>

Getting Organised

Given this attack on one of our most important terms and conditions it is vital that we are well organised at all levels. This means building our strength to defend our pensions from branch level and ensuring all our members understand the impact of changes to the schemes.

We are therefore asking branches to appoint:

Pension Champions

Branch Pension Champions will make sure the latest union briefings and information on changes to public sector pensions are understood by the branch, workplace pension contacts and members. You and other champions will take the lead role in making sure that the branch and members are prepared to take action to protect public sector pensions.

Pension Contacts

Pension Contacts will be the workplace link for our Protect Our Pensions campaign. They will talk to members about the changes governments want to make to public sector pensions and what the union campaign is all about. You won't be ignoring non-members you can talk to them about their pensions and persuade them to join UNISON and get involved in the campaign.

There will be briefings and training for both these roles. More details and a form to register your champions and contacts at: http://www.unison.org.uk/pensions/pop_involved.asp

Pensions meeting

The next meeting for UNISON branches will focus on the final Hutton Report and the implications for both the Scottish LGPS and NHS schemes. By that date we may get some indication of how the UK government proposes to implement it in the UK budget on 23 March.

The meeting will be held on **Wednesday 30 March 2011** starting at 11am in UNISON House, 14 West Campbell Street, Glasgow G2 6RX. **Please make sure your branch is represented.**

For further details contact:

Dave Watson, Scottish Organiser
Malcolm Burns, Information Development Officer

d.watson@unison.co.uk
m.burns@unison.co.uk