

**WEST MIDLANDS FIRE AND RESCUE AUTHORITY**

**13<sup>TH</sup> FEBRUARY 2006**

**1. UNISON – NOTICE OF AN OFFICAL INDUSTRIAL ACTION BALLOT**

Report of the Chief Fire Officer and Clerk

RECOMMENDED

- 1.1 THAT the Authority notes the receipt of a notice of an industrial action ballot by members of Unison under the terms of the Trade Union and Labour Relations (Consolidation) Act 1992.
- 1.2 THAT the Authority notes that this report has been submitted as a matter of urgent business due to the date of receipt of the notice and the timescales involved in the ballot.

**2. PURPOSE OF REPORT**

This report is submitted to inform the Authority that a formal notification has been received from Unison of its intention to ballot its members for industrial action in pursuance of a trade dispute. The trade dispute concerns the retention of the rule of 85 for all existing members of the Local Government Pension Scheme

**3. BACKGROUND**

- 3.1 A trade dispute exists between Unison and the National Employers over changes to the Local Government Pension Scheme and in particular over the retention of the rule of 85 for all existing members of the Scheme. The rule of 85 is a means whereby employees are allowed to voluntarily retire before age 65 with an unreduced pension if their combined age and length of scheme membership totals 85 years. The employer's consent is required for retirement before the age of 65. The proposed changes to this pension scheme will remove this facility.
- 3.2 In pursuit of this dispute, Unison has now formally notified the Authority that it intends to ballot its membership within West Midlands Fire Service over industrial action consisting of a strike. Other authorities are facing similar ballots at the same time. The ballot papers will be sent out to Unison's 161 members within West Midlands Fire Service on 20<sup>th</sup> February 2006 with a closing date of 10<sup>th</sup> March 2006. A copy of the notice is attached as appendix 1 to this report.
- 3.3 The notice was only received on 9<sup>th</sup> February 2006 and in view of the fact that the ballot commences on 20<sup>th</sup> February 2006, it was considered necessary to

table this report as an urgent item of business in order to notify all Members of the Authority of the potential for industrial action.

- 3.4 A copy of a briefing note issued by the Employers' Organisation for Elected Members on the changes to the Local Government Pension Scheme in England and Wales is attached for information as appendix 2 to this report.

4. **EQUALITY AND DIVERSITY IMPLICATIONS**

There are no equality and diversity implications involved with the recommendations contained within this report, although the subject of the trade dispute does affect disproportionately more of the Authority's women employees.

5. **CORPORATE AIMS SUPPORTED**

The principal corporate aims supported by the information in this report are as follows.

1. Meeting the Fire Authority's statutory duties, standards and expectations.

6. **TRADE UNION CONSULTATION**

As this report relates to a trade dispute with a specific trade union, it was not considered appropriate to enter into any formal consultations.

7. **LEGAL IMPLICATIONS**

The course of action recommended in this report does not raise issues which should be drawn to the attention of the Authority's Monitoring Officer.

8. **FINANCIAL IMPLICATIONS**

There are no direct financial implications arising from the recommendations contained within this report.

**BACKGROUND PAPERS**

Human Resources Department files

F. J. SHEEHAN  
CHIEF FIRE OFFICER

Our Ref 1/120215/LOI



— Frank Sheehan  
— Chief Fire Officer  
— West Midlands Fire Service  
— Lancaster Circus Queensway  
— Birmingham  
— B4 7DE

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West Midlands Region  
UNISON  
Regional Centre  
24 Livery Street  
Birmingham  
B3 2PA  
Phone: 0121 685 4200  
Fax: 0121 685 4400  
Email:

8th February 2006

Dear Sir or Madam,

**NOTICE OF AN OFFICIAL INDUSTRIAL ACTION BALLOT**

This notice is given under the Trade Union and Labour Relations (Consolidation) Act 1992.

It is in relation to a trade dispute over the retention of the rule of 85 for all existing members of the Local Government Pension Scheme including all matters arising out of and in consequence of this dispute.

It is the intention of UNISON to conduct an industrial action ballot of the following members: all members employed by West Midlands Fire Service on all grades and at all locations. They all pay their subscriptions via DOCAS (except for those who pay by means other than DOCAS who are identified on the page overleaf by job title, location and total number). I believe the total number to be balloted is [ 161 ] .

The despatch of ballot papers will begin on 20 February 2006. A copy of the ballot paper is attached.

The number of members involved in the ballot is 50 or more, and in accordance with the above legislation the following independent scrutineer has been appointed:

Electoral Reform Services  
Independence House  
33 Clarendon Road  
London  
N8 0NW

Any communication regarding this notice should be addressed to this office.

Yours Faithfully,

*Valerie Broom*

*Ms V Broom*  
*Regional Secretary*

Our Ref 1/120215/LOI

West Midlands Fire Service  
UNISON Non-Docas membership and total membership entitled to vote

| <b>Job Description</b>                              | <b>Workplace Name</b> | <b>Members</b> |
|---|-----------------------|----------------|
| General Administrators National Government Assista  | 1 Lancaster Circus    | 1              |
| Local Government Officers Administrative And Execut | Solihull Fire Station | 1              |
| <b>Total Membership entitled to vote</b>            |                       | <b>161</b>     |



# BALLOT PAPER

## OFFICIAL UNISON BALLOT OF MEMBERS FOR INDUSTRIAL ACTION

This ballot is in connection with a trade dispute over the retention of the rule of 35 for all existing members of the Local Government Pension Scheme including all matters arising out of and in consequence of the dispute

### Are you prepared to take part in industrial action in the form of strike action?

PLACE AN (X) IN THE BOX OF YOUR CHOICE BELOW

YES

NO

If you take part in a strike or other industrial action, you may be in breach of your contract of employment. However, if you are dismissed for taking part in a strike or other industrial action which is called officially and is otherwise lawful, the dismissal will be unfair if it takes place fewer than twelve weeks after you started taking part in the action, and depending on the circumstances may be unfair if it takes place later.

In the event of a vote in favour of industrial action, UNISON National Executive Council has delegated power to the General Secretary and the Senior Management Group to authorise members to take part, or continue to take part in industrial action.

**PLEASE RETURN YOUR BALLOT PAPER IMMEDIATELY IN THE PRE-PAID ENVELOPE PROVIDED.**

Your completed ballot paper should be returned to REACH the  
The Independent Scrutineer, Electoral Reform Services Limited,  
33 Clarendon Road, London N8 0NW  
no later than NOON, FRIDAY 10 MARCH 2006.

Your VOTE is completely SECRET



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**Information for elected members: changes to the LGPS in England and Wales**

**NB: This document is only for use until the actual Regulations introducing the Scheme changes have been issued (which is expected to be during March 2006). An updated briefing note will then be issued.**

**Dear Councillor (*insert name*),**

**Changes to the Local Government Pension Scheme in 2006**

Many of you will be aware of the Government's review of public sector pension schemes, including the LGPS, which forms part of their wider agenda to deal with increased life expectancy, changing demographics and rising pension costs. You may also have been lobbied recently by Unison. With this in mind, I would like to take this opportunity to outline the changes that the Government is proposing to make to the LGPS.

**Key points**

- pension Funds are seeing much reduced investment return expectations
- employees are living and drawing their pension for longer (in the last 30 years, men's life expectancy at 65 has risen by nearly a third and women's by nearly a fifth)
- pension costs for the authority and hence for council tax payers are rising as a result
- at the 2004 LGPS Fund valuations, the Funds in England and Wales were on average only 74% funded, with a £27 billion "black hole"
- the changes to the Scheme outlined by the Government are therefore needed to ensure the Scheme's future viability and affordability
- savings from the changes are not anywhere near as great as the unions estimate
- it is estimated that full protection from changes for all existing scheme members would cost employers £5.5 billion over the next 15 years

**Background to the changes**

The changes being introduced to the LGPS in 2006 are aimed at safeguarding the scheme and to ensure it remains affordable and sustainable to scheme employers

and to local taxpayers whilst being fair to existing and future employees. The changes also seek to address the social and economic challenges that result from changing demographics by encouraging people to work longer and therefore improve the retention and transfer of valuable knowledge and skills in the workforce.

### **What are the key changes?**

Although, unlike the other public sector pension schemes, the LGPS already has a retirement age of 65, current rules allow some employees to retire before then with unreduced benefits if they satisfy what is known as “the 85 year rule”. This is a rule which currently allows employees to voluntarily retire before age 65 with an unreduced pension if their combined age and length of scheme membership totals 85 years. The authority’s consent would be required for retirement before age 60.

One of the changes being introduced from 1 October 2006 is to remove the 85-year rule so that if employees choose to retire early their pension benefits will be reduced to take account of early payment. However, all benefits built up before October 2006 will be protected from the effects of this change. Older employees in the Scheme (i.e. those who will be 60 by 31 March 2013) might get extra protection but this is still under discussion.

The Government’s legal advice is that the 85-year rule has to be removed in order to comply with forthcoming age discrimination legislation.

Alongside the removal of the 85 year rule there are to be other changes offering improvements in choice and flexibility to employees.

Employees who want to be able to draw an unreduced pension on or after age 60 and before age 65 will still be able to do so provided they pay the necessary extra pension contributions.

Flexible retirement provisions are also to be introduced. This means members will be able, with the authority’s consent, to reduce their hours or move to a less senior post and draw their accrued pension benefits whilst continuing in employment, rather than having to work, say, full time until age 65. This will enable employees to ease themselves into retirement.

Employees will be able to take up to a maximum of 25% of the capital value of their pension benefits as a lump sum (the current lump sum which is automatically payable on retirement roughly equates to 15% of the capital value). Any amount taken above the current lump sum would be achieved by exchanging part of their annual pension for a one off tax free cash payment at a rate of £12 lump sum for each £1 of pension given up

The removal of the 85 year rule may reduce the authority’s contribution rate by between 1.5% and 2% in the long-term and the facility for employees to opt to give up (commute) some of their pension in return for a bigger tax free lump sum on

retirement might save a further 0.3% (depending on the number of employees who make such an option). The commutation option will not generate anywhere near the level of savings claimed by Unison. Any savings that result from the Scheme changes are necessary in order to deal with the increasing cost of pension provision.

It is estimated that full protection against the changes for all existing scheme members, which is what the unions are seeking, would cost employers £5.5 billion over the next 15 years.

### **Looking ahead**

Stabilising costs to safeguard the scheme paves the way for the next stage of review to modernise the scheme so that it meets the needs of the current and future local government workforce. Ministers have expressed their commitment to retaining a defined benefit final salary arrangement which is relevant to the local government workforce provided that it remains both affordable and sustainable.

Discussions on the next phase of the LGPS review are underway. The ODPM will be asking employers and the unions for their views on far-reaching strategic changes that could see a new-look pension scheme being introduced from as early as 2008.

I hope that you find this information helpful. However, if you require any further background information on the changes and the impact they will have on our authority, please contact (HR MANAGER DETAILS).

Yours sincerely ,

A handwritten signature in black ink, appearing to read "Steve Ball". The signature is written in a cursive, slightly slanted style.

Chair of the EO Board and the LGA's HR Panel