

Unison Argyll and Bute Council Branch Briefing

Despite what the huge anti-public sector pensions lobby say, in reality, there is no pensions crisis. Only three years ago, unions negotiated new schemes to make them affordable and sustainable for the long term. This means the cost of public sector pensions, as a proportion of GDP, will fall. And both the health and local government schemes have billions more coming in than has to be paid out in pensions every year.

Local government facts

If the local government scheme closed tomorrow, it could afford to pay out all its liabilities for the next 20 years, without a single penny more in contributions. The Local government pensions funds take much more in contributions and investment returns than are paid out in benefits.

The local government scheme invests heavily in the private sector. It has funds worth £140 billion – making it is one of the biggest institutional investors in the world, equivalent to 12% of UK GDP. The schemes' funds own 1.75% of the UK's top FTSE companies, and in 2010 had £12 billion invested in the index's top 11 companies.

Public sector workers in the local government scheme in Scotland voted 73% in favour of strike action over pensions.

They say – We have a good deal on the table – one that is fair and affordable.

We say – There is no offer on the table. We have been in talks for months and it was only on the eve of the ballot result that the Government produced a new framework for negotiations.

Danny Alexander has admitted that there is still a lot of detailed negotiations that need to go on in the sector specific talks and until then there is not an offer that we can put to our members.

Our members in local government know to their cost that announcements in Parliament don't always translate into reality. When George Osborne announced a public sector pay freeze in his first Emergency Budget he said the low paid (those earning under £21,000) would receive £250. Local Government workers in Scotland haven't seen a penny of that since the pay freeze was implemented.

They say - Turnout of the ballot shows there is extremely limited support.

We say – There was a decisive vote in favour of strike action – 88% in the NHS and 73% in local government. We abide by the democratic decision of members in the ballot. We are tied to an old fashioned voting system of sending out ballot papers to every member's home.

The Government talks about imposing more anti-union legislation and making it more difficult to strike by proposing a minimum turnout but won't allow more innovative methods of polling such as e-voting or for the union to set up independent polling booths in workplaces – because they know that more people will vote if it is easier for them to do so.

Many local councillors are elected on smaller percentage votes than UNISON's ballot.

The Branch Stance – Six Important points

Q/ Why are we striking?

Following the Yes vote in our industrial action ballot, UNISON along with a large number of other unions such as UNITE and the GMB is planning an initial day of strike action on 30 November 2011 in opposition to proposals to change our members' public sector pension schemes

Q/ Will the strike make the government ministers change their mind?

We certainly hope so and would not call people out to strike if we didn't think so. We are not a posturing or strike happy union - far from it. Strike action has always been a last resort in trying to force ministers to negotiate more seriously. On the rare occasion that we have gone on strike across the union in the past we have made gains on previous proposals. Although there is never a guarantee of all our demands being met, demonstrating the strength of feeling about our pensions is vital

Q/ Are Public services and public service pensions are causing the financial crisis.

No it was the banking sector's reckless risk taking and excessive greed that caused this global recession.

Q/ Is there a big public sector pensions deficit that has to be repaid.

There is no funding gap - the public sector schemes were assessed for long term risk and adjusted accordingly three years ago and are now very secure. Both the local government pension scheme and NHS pension scheme are currently cash rich with income far exceeding outgoings - some £2 billion in the case of the NHS pension scheme.

Q/ Surely we are all in it together. Everyone has to make sacrifices right now - why not public sector workers?

We are all facing cuts to our public services - on top of this public service workers are facing unprecedented job cuts and a pay freeze. We will all end up paying more tax if people drop out of the LG Pension scheme to end up relying on the state in their old age.

Q/ If taxpayers are paying for public service workers' pensions then surely its not fair.

Everyone's taxes are used to pay for all public services - stethoscopes in hospitals, the salaries of primary school teachers, people to change the light bulbs in street lamps, and part of these people's pay is their pension. A pension is part of someone's salary package and is no different than an annual salary, a car, or the London weighting allowance. It's not fair to change something in a job contract after someone accepted the job. One in five people working in the UK works in public services. We are taxpayers too.