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To all Civil Servants

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Dear Colleagues,

REFORMING THE CIVIL SERVICE COMPENSATION SCHEME

You received a letter from your Permanent Secretary in December about the proposed changes to the Civil Service Compensation Scheme, setting out some substantial further improvements which we had proposed following discussions with our trade unions.

Since then discussions with our trade unions have continued involving both Ministers and Permanent Secretary colleagues. As a result I am very pleased to tell you that we have now reached agreement with five Civil Service trade unions – FDA, GMB, the Prison Officers' Association, Prospect and Unite. All of them will be recommending our final set of proposals, to their members. We will put full details of the proposals on the Civil Service Pensions website at www.civilservice.gov.uk/my-civil-service/pensions.

I am sorry to say that the remaining Civil Service union, PCS, continues to oppose the proposals and, as those of you who are PCS members will probably have seen, is balloting its members on industrial action in support of its opposition to them.

I believe this to be wholly misguided. As I have made clear previously, we need to bring the Civil Service Compensation Scheme more into line with what is commonly available in the rest of the public and private sectors. But, as a result of intensive discussions with our trade unions, we have moved some considerable way from our original proposals and, in particular, introduced substantial safeguards for our lower paid staff and those closest to retirement. The fact that five unions, representing between them a cross section of our staff across all grades, ages and professions, have accepted this as a fair and reasonable package is testimony to that.

If you are a member of PCS, I would urge you to think hard about how to vote. The final proposals which we will now be implementing strike a fair and reasonable balance between the interests of our staff and those of the taxpayer.

Gus O'Donnell

