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**DRAFT**

Sir Merrick Cockell  
Chair, Local Government Association  
Local Government House  
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**LOCAL GOVERNMENT PENSION SCHEME**

I wrote to you earlier today with my response to your letter of 19 December, in which you set out Heads of Agreement for the Local Government Pension Scheme in England and Wales, the first of a two stage process for reforming the scheme. For the avoidance of doubt, this letter should be used as the basis for all future discussions.

I look forward to discussions continuing and welcome the specific elements in your agreement with the trade unions regarding milestones and the Stage 2 Decision Management process. In particular, the direct, regular reporting of progress to Ministers and involvement of officials is particularly reassuring in terms of your agreed implementation plans. I remain confident of agreement being reached on a final scheme design which is fair for employees, employers and the taxpayer

I can give an assurance that no action will be taken as a consequence of the current statutory consultation, which began on 7 October, whilst the process to implement the agreement is progressing satisfactorily.

I now look forward to productive discussions continuing within the timetable you have agreed to conclude 'Stage 2' of the reform process.

Copies of this letter go to your joint signatories and to the Rt Hon Danny Alexander, Chief Secretary to the Treasury.

**RT HON ERIC PICKLES MP**

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