On 11 September 2019 the Department of Health and Social Care (DHSC) issued a revised consultation regarding proposed flexibility for the scheme in England and Wales setting out a number of proposals on how the impact of Annual Allowance (AA) and Lifetime Allowance (LTA) can be better managed for affected senior clinicians. This consultation can be viewed via the following link [DHSC Consultation Paper] and closes for comment on 1 November 2019. The consultation has been issued by DHSC in response to the concerns of employers and the BMA regarding the impact the AA is having on service delivery and the need for greater flexibility to be provided within the scheme around affected individual pension growth.

The AA and LTA are creating similar concerns for the NHS in Scotland and the Cabinet Secretary for Health and Sport has raised, and continues to raise, these with the Chancellor of the Exchequer and the Secretary of State for Health and Social Care.

The Scottish Government is working with key stakeholders to gather evidence on the impacts of AA and LTA on staff and to consider urgently what can be done to reduce the impact on the NHS in Scotland. This is a particularly complex area and many potential mitigations are out-with the devolved competence of the Scottish Ministers. Pension taxation is wholly reserved to the UK Government and any changes Scottish Ministers propose to the scheme will require full the consent of HM Treasury, which can limit the extent of any potential scheme flexibilities.
The NHS Pension Scheme (Scotland) Advisory Board (SAB) provides advice to Scottish Ministers on a broad range of policy matters relating to the pension scheme. The board is chaired by joint arrangement between the existing staff-side and scheme employer representatives. The board has representatives of both employers and employees and is the usual forum through which consultation on scheme changes are considered and advice subsequently provided to the Scottish Ministers. The SAB will be considering the DHSC consultation and how the proposals it sets out would apply to the scheme in Scotland and will provide its advice to the Scottish Ministers on this issue.

Employer and member representatives on the SAB provide views from across the service allowing a collective and cross section of views to be presented and considered on any potential changes to the scheme. For example, the BMA have led on this particular issue in discussions with the Scottish and UK Governments and provide a member of the SAB. Full details of the SAB membership are available on the SPPA website.

Given the wider impact of these changes, members are encouraged to engage with their representatives to ensure that everyone is given an opportunity to provide a view on these proposals, how they might work in Scotland and where there are any other options that might be applicable for the scheme in Scotland. The SAB will be considering each of the questions set out in the DHSC consultation and will consider making a formal response to the proposals made.

If it is not possible for individuals to provide their views on the consultation through SAB members, then these can be sent to the following address sppanhssab@gov.scot and will be collated and presented to the SAB as part of its consideration. It would be helpful to have any comments by 26 September as the next meeting of the SAB is scheduled for 30 September, although any comments received after that date will still be collated and presented to the SAB before any final decision is taken on a formal response to the consultation or its advice to Scottish Ministers.

More information on the AA and LTA is available on the SPPA website and most recently under SPPA NHS circular 2019/07.

Greg Walker
Policy Manager
18 September 2019