

NHS Pension Scheme Scotland Scheme Advisory Board

Minutes

Date: 19 November 2021

Meeting reference: NHS Pension Scheme Advisory Board – Extraordinary meeting on member contributions from 1 April 2022

Location: Virtual via MS Teams

Chair: Willie Duffy (Unison)

Attendees: **Members**

Alan Robertson (BMA)
Derek Lindsay (NHS Ayrshire & Arran)
Ros Shaw (RCN)
Lorraine Hunter (NHS Grampian)
Jane Christie-Flight (Unite)

Scottish Government

Karen Gilchrist (SPPA)
Daniel MacDonald (SG Health)
Greg Walker (SPPA)
Iain Coltman (SPPA)
Brian Nisbet (SGLD)

Government Actuary's Department (GAD)

Anne-Marie Pettie
Gary Swann

Secretariat

Carole Bertram (SPPA)
Demi Ditchburn (SPPA)

Apologies

Graham Pirie (CoP)
Kay Sandilands (NHS Lanarkshire)
Phil McEvoy (BDA)
Andy Carter (NHS Borders)
Jackie Mitchell (RCM)

1. Welcome and Apologies

- 1.1 The Chair welcomed attendees and asked if there were any conflicts of interest.
- 1.2 No new conflicts of interest were declared.

2. Paper 2 Draft Minutes of NHS SAB Extraordinary Meeting 23 September 2021

- 2.1 The Chair asked if there was any amendments.
- 2.2 Derek Lindsay asked for 2.8 to delete “as a result of the McCloud judgement”
- 2.3 Roz Shaw asked for 2.16 to be amended to RCN
- 2.4 Jane Christie-Flight requested page 1 to read Unite not Golden Jubilee
- 2.5 The minutes were approved.

3. Paper 3a – Member contributions- revised proposal- 19 November 2021

- 3.1 SPPA apologised for the change of meeting arrangements at short notice. They noted that after the meeting on 23rd September the team worked hard to review previous options and produce something new that delivers on yield target.

Paper 3a – Member contributions- revised proposal

- 3.2 SPPA introduced paper 3a which presented revised options for a new contribution structure in the NHS Pension Scheme (Scotland), based on SAB’s previous advice.
- 3.3. Alan Robertson requested clarification on the percentage difference in yield between Scotland and England/Wales. SPPA confirmed that the required yield is 9.8% in Scotland, England and Wales.
- 3.4 The Chair expressed concern that the revised options were unlikely to be accepted by union members. It was noted that in the wider context of rising inflation and prices this year, NHS staff would not feel the full effect of 4% pay rises so it may be difficult to gain support for the revised contribution structure.
- 3.5 Roz Shaw expressed concern that the revised tiering structure is more complicated/complex and it would be beneficial to keep this as simple as possible.
- 3.6 Alan Robertson reminded the board that in order to achieve the necessary yield, current rates cannot continue and to consider this when comparing these with revised options.
- 3.7 SPPA noted that like the ideal scenario would be for the Board to come together on a joint position regarding the contribution structure, however understood that this may be challenging. It was noted that in the event that a joint decision could not be

reached, Ministers would be presented with all options and they would decide which options to bring to consultation.

3.8 The Chair requested clarification on this process. SPPA noted that any recommendations/supporting reasons for individual options from SAB members would be presented alongside the options themselves, and SAB members would be able to view the proposal.

3.9 The Chair noted that it would take 3-4 weeks for the consultation of the revised options amongst individual member groups, and after this, it would still be unlikely that the Board would be able to reach a joint decision.

3.10 Roz Shaw requested further clarification on the consultation process. SPPA noted that Ministers would be presented with all options and they were likely to choose 1 or 2 options to take forward to the consultation stage; which would include a series of discussions with key stakeholders such as employers etc. on regulation issues.

3.12 Derek Lindsay raised that members in the pay range of £31,000 - 45,000 have a higher net tax rate than those in the pay range £48,000 – 65,000 under the revised structure.

Action 2021.11/01 SPPA to review net tax rates across revised structure to see if these can be flattened before proposal submission.

3.11 The Board agreed to proceed with sending the proposal to Ministers for their review.

Action 2021.11/02 SPPA to circulate timeline for proposal process.

4. McCloud remedy

4.1 SPPA provided an update on McCloud remedy communication. It was noted that a sub group was developed to draft a letter to all 4 boards, that will be issued by the start of December. It was also noted that this content had been converted to a circular for employers issued on Friday 19th November, and an animated video was currently being produced for the SPPA website. The link to the circular was shared.

5. Next meeting

The Chair confirmed another meeting should be scheduled via doodle poll for December, thanked everyone for their attendance and closed the meeting at 12:55.

Action 2021.11/03 SPPA to schedule another meeting.