

NHS Pension Scheme Scotland Scheme Advisory Board

Final Minutes

Date	13 June 2024
May	Virtual meeting via Microsoft Teams
Chair	Derek Lindsay (NHS Ayrshire & Arran)
Attendees	Alan Robertson (BMA) Anne-Marie Pettie (GAD) Andrew Carter (NHS Borders) Jane Christie-Flight (Unite) Lorraine Hunter (NHS Grampian) Philip McEvoy (BDA) Robin McNaught (State Hospital) Ros Shaw (RCN) Ruth Kelly (NHS Lothian) Tim Weir (GAD)
SG / SPPA Officials	Finn McKenzie (SPPA) Greg Walker (SPPA) Jack McAllister (SPPA) Sarah Eccles (SG)
Secretariat	Carole Bertram (SPPA)
Apologies	Brian Nisbet (SG) Daniel MacDonald (SG) Graham Pirie (RCPOD) Iain Coltman (SPPA) Lorna Low (RCM) Matt McLaughlin (Unison)

1. Welcome and Apologies

1.1 The Chair welcomed attendees and asked if there were any conflicts of interest. The Chair confirmed Lorna Low (RCM) has now replaced Jackie Mitchell (RCM) and thanked Jackie for her support.

2. Minutes of previous meeting and action log

Paper 2a – Draft SAB minutes of 21 March 2024

2.1 The minutes of the previous meeting were held as accurate.

Paper 2b – Action Log

2.2 **Action point 2021/02, 2024/02 & Action point 2024/03** – Greg Walker confirmed that these action points will be covered in Paper 5 at today's meeting. **Closed**

2.3 **Action point 2024/01** – Greg Walker suggested that going forward any new appointments for SAB staff side members should be agreed in collaboration between the staff side representatives and through the staff side chair. Staff side members agreed that this was an effective approach. Ros Shaw shared that she would be retiring at the end of the year and Philip Coghill had been chosen to be replace her. **Closed**

2.4 **Action point 2024/04** - Greg Walker confirmed that this action point will be discussed on Paper 6 at today's meeting. **Closed**

Paper 3 – NHSPS(S) NHS Pension Scheme Scotland Participation Rates

3.1 Jack McAllister provided a summary of the data trends highlighted in the paper.

3.2 Alan Roberston thanked Jack for his paper and wished to express concern at the drop in overall consultant participation numbers.

3.3 Phil McEvoy highlighted that the E&W SAB discussed concerns around workforce from abroad participation rates being significantly low and suggested that it could be worthwhile if SPPA could collate and provide similar statistics which covers this cohort of members at the next round of participation rates if feasible.

3.4 Jack McAllister confirmed that SPPA will look at the feasibility of this for the next round of participation rates. **Action Point 2024/05**

3.5 Derek Lindsay asked when the next round of participation rates will be due for presentation to the SAB. Jack McAllister confirmed that a paper is presented to SAB every 6 months.

Paper 4– NHSPS(S) Partial Retirement uptake since 1 October 2023

4.1 Jack McAllister highlighted the key statistics in his paper.

4.2 The Chair asked what the lead time for Partial Retirement applications was.

4.3 Lorraine Hunter advised the lead time was 4 months. She asked if the outstanding cases will be retiring in the next 4 months as the paper shows this would appear to be a growing trend in NHS Greater Glasgow & Clyde.

4.4 Greg Walker agreed there is a growing trend and highlighted that SPPA do prioritise applications received in relation to the date of retirement.

4.5 Alan Robertson outlined the positive uptake of the retirement option so far. He queried if there was a possibility to analyse uptake by board further to identify any areas of concern. He also highlighted the benefits of showing a split between Medical & AFC officer staff. **Action point 2024/06**

4.6 Alan Robertson commented there was some staff already partially retired but haven't yet received payment.

4.7 The Chair advised these cases will receive backdated payments.

Paper 5– NHSPS(S) Pensionability of Allowances and NHS Pay Enhancements

5.1 Greg Walker provided a recap of the pensionable allowances paper and highlighted the changes made to the previous version following SAB members' feedback.

5.2 Phil McEvoy noted how difficult it can be to quantify short term and long term in terms of staff recruitment and retention but outlined the usefulness of having definitions to ensure consistency.

5.3 Greg Walker thanked Phil for his comments and confirmed that the definitions included do align with Scottish Government policy on recruitment and retention.

5.4 Alan Robertson outlined that the addition on page 9 around flexibility of pensionable allowances in certain exceptional circumstances is welcomed as issues may still arise with pension tax charges if annual allowance continues to not be indexed linked or put up in future and it mitigates the issue of a postcode lottery amongst varying health boards.

5.5 Phil McEvoy provided comments on page 13 regarding the Post Graduate Tutor Allowance stating that there are various tutor allowances that look similar in nature but are being treated differently in terms of pensionability. He also highlighted that although he isn't familiar with this allowance, he does not want payments that have been historically pensionable to become non-pensionable suddenly because of this exercise.

5.6 Lorraine Hunter confirmed that this payment does exist on the payroll system but through the NHS TWG the employer payroll representatives struggled to find any further information on it. She suggested taking this payment off the current list as she is not aware of any currently in payment.

5.7 Alan Robertson asked that once the updates to SPPA's website regarding pensionable allowances are made, if the circular could be shared with SAB members alongside a link to the website. **Action Point 2024/07**

5.8 Derek Lindsay just wanted to ensure that some of the more unique allowances under both AfC and Medical and Dental columns are in the correct place before publication.

5.9 Greg Walker suggested that a 'Other' category for these more unique allowances may work. Lorraine Hunter suggested just taking out the headings and listing the allowances in full without medical and dental and AfC split.

5.10 Lorraine Hunter also asked what guidance will be issued for both employees and employers that will cover those cases where allowances that were previously pensionable have now become non-pensionable and vice versa.

5.11 Greg Walker suggested that it may be appropriate to follow similar stance taken for changes made to salary sacrifice whereby those who currently have allowances treated in a certain way will continue to have those allowances treated that way until a time in which the allowance stops or is renegotiated. Greg Walker confirmed that this will be reflected in the circular to be published.

Paper 6 – GAD Flexible accrual options

6.1 Derek Lindsay outlined for context that these flexible accrual options are at an initial discussion phase and are not signal of any policy intent.

6.2 Greg Walker also confirmed that this was placed on SAB agenda subsequently from similar discussions that took place in England and Wales.

6.3 Tim Weir gave a detailed account of this paper.

6.4 Derek Lindsay highlighted that take up of this option would be quite significant and considerations would have to be given to this.

6.5 Alan Robertson asked for clarification on the 3% flat rate reduction in member contribution scenario.

6.6 Tim Weir confirmed that the 3% deduction is from the individual members normal contribution rate not a reduction to 3% contribution rate overall. He also highlighted that these differing options may be attractive to different groups of NHS workforce

6.7 Ros Shaw also highlighted a concern that members may opt for these flexibility options in the current cost of living crisis but then forget to go back up to full contributions again if things get better. She highlighted a possible control mechanism could be an option to mitigate against this risk for members

6.8 Alan Robertson raised concerns around the concept in terms of the Government using any possible introduction of these flexibilities as a means to not increase pay.

6.9 Phil McEvoy outlined that a fundamental part of this is that HMT may have to begin focusing on long term impacts as well as the short-term cash flow. Phil also outlined that focus should be placed on the impacts of these potential flexibilities on different groups and ensuring that no group benefits substantially more from this at the expense of others. Phil finished by outlining his eagerness to keep this moving forward but recognised that we must wait and see the results of the upcoming General Election.

6.10 Derek raised possible concerns that the flexibility options may have on the balance of the scheme and delivering the 9.8% yield.

Paper 7A – 2015 Remedy Tax Treatment of Interest

7.1 Finn Mackenzie provided a summary of this paper.

7.2 Alan Roberston asked what the interest rate is set at for the purpose of this tax treatment.

7.3 Finn Mackenzie confirmed the interest rate was set at 8% and is known as the judgement rate.

Paper 7B– 2015 Remedy Cost Reimbursement Scheme – Draft Scheme Rules

7.4 Finn Mackenzie outlined that he would like to provide SAB with some more time to provide any comments to him regarding this paper and suggested a deadline of two weeks from today for comments. It will then be published during the summer after being approved by SGLD.

7.5 Phil McEvoy highlighted a minor error around a typo on page 8 stating PSS instead of RSS.

7.6 Alan Robertson highlighted that SPPA website information states that the deadline for contingent decisions is still set as 30 September 2024 but thought that it was agreed to extend this date due to the delaying of the RSS.

7.7 Finn Mackenzie agreed to extend this date to the 12 months from when the member receives their first RSS and committed to updating the form on SPPA's website. **Action Point 2024/08**

AOB

8.1 The Chair confirmed the next meeting will be Tuesday 17 September 2024 and closed the meeting.