

Department of Health
Pensions Policy Team
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Consultation on the draft Health and Social Care Pensions (Abatement), (Amendment) Regulations (Northern Ireland) 2022

Response from BMA Northern Ireland

23 September 2022

Dear Sir/Madam,

The British Medical Association (BMA) is a professional association and trade union representing and negotiating on behalf of all doctors and medical students in the UK. It is a leading voice advocating for outstanding health care and a healthy population. It is an association providing members with excellent individual services and support throughout their lives.

Introduction

BMA Northern Ireland welcomes the opportunity to respond to this consultation, having previously responded to an earlier consultation on the same topic, in March 2022.

We would like to note, that despite broadly welcoming the extension to the suspension of abatement regulations, doing so in six-month increments with little or no notice of further extensions is hugely detrimental and significantly limits the effectiveness of the policy as a means of retention. For the limited number of members within scope of abatement regulations, consideration and planning for retirement will begin far in advance, and these ad-hoc extensions provide no certainty to support doctors make informed choices.

As stated in our previous response on this issue, BMA Northern Ireland calls for an indefinite suspension of abatement regulations. We are concerned that past comments have not been addressed and, having already provided feedback to the Department on this issue, we have yet to receive a response from the Department on how that feedback has been considered. We would welcome, following this consultation, such a response from the Department.

National director (Northern Ireland): Claire Armstrong

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More widely, BMA Northern Ireland views abatement as just one of a number of pension related issues that many senior doctors are facing, driving many to reduce HSC commitments, leave management roles or retire early. We continue to engage with the Department on the crucial introduction of pension taxation mitigations to alleviate the impact of punitive UK pension taxation policy, which is being further exacerbated by current high inflation rates.

Consultation response

1. Do you agree that the proposed amendments to the HSC Pension Scheme Regulations deliver the policy objectives as set out in the consultation document?

No.

2. If 'No', why?

We would refer the Department to our previous response, with many of the concerns raised equally applicable to this consultation.

BMA Northern Ireland acknowledges that the proposed amendments will result in the continued suspension of abatement regulations, as is the aim. However, we disagree that this will deliver the policy objective of addressing 'ongoing stresses on the health service' now, and over the winter period.

Whilst pleased that the Department of Health has proposed to extend the present arrangements that have seen the suspension of HSC pension regulations regarding retire and returnees, we would express our concerns around the short sightedness in only extending this provision for 6 months, and the short notice being given to doctors on these changes.

The pressures that led to the suspension of abatement regulations during the COVID-19 outbreak have not ceased, and in many instances have worsened. It is therefore in the best interests of the health service in Northern Ireland to maintain the suspension of abatement regulations for an indefinite period.

This consultation and the proposed changes are being implemented far too late given that the group affected, senior doctors nearing retirement age, will have had to have begun their retirement planning months prior to this change. This change of approach will therefore unfortunately have nowhere near the positive impact that it could have had should the Department have implemented this change earlier, and thereby diminishes any benefit that could have been accrued from this, as was highlighted when the initial extension was proposed.

3. Are any changes needed to ensure the proposed amendments deliver the policy objectives?

BMA Northern Ireland would note that merely suspending this for a further six months past October is nowhere near even adequate in supporting the retention of doctors within the health service, given that this is merely a short-term measure, with little to no clarity provided over whether further extensions may apply.

This extension appears only a sticking plaster for the pressures within the HSC service. Yet this provision, the way it has been introduced, and the limited number of doctors and senior HSC staff affected, will do nowhere near enough to support the health service either in the short or long term.

We would reemphasise the importance of retaining doctors nearing retirement age, who have accumulated a wide range of expertise and have often worked under various care-delivery models across their career. The value that they bring to the health service is immense; in addition to driving productivity in secondary care, their contributions and leadership have become even more evident throughout the COVID-19 pandemic.

Going forward the health service in Northern Ireland faces a challenge of immense proportion: a system already approaching the limits of its ability to deliver prior to the pandemic, a vast backlog of elective care accumulated during the pandemic together with a population and its associated medical needs growing faster than the supply of medical staff.

HSC services face a crisis of service delivery now and for the foreseeable future. If we are to successfully deliver on the elective recovery, it is a necessity we retain senior doctors for as long as possible. Such a crisis mandates that all resources are used wisely and effectively, and that includes the rich resource that these doctors represent.

Given these points, it is essential that these regulations are not merely suspended for a mere further six months but are suspended indefinitely, recognising the long-term benefit of creating as supportive an environment as possible for these doctors to continue working within the HSC system.

However, we would also emphasise that even an indefinite suspension of the abatement regulations alone is nowhere near sufficient to address the fundamental issues that are driving doctors towards retirement and to restricting their HSC work. The Department is aware of the wide range of pension tax issues faced by our members, which is having a detrimental impact on medical retention.

We are pleased that mitigations, which can start to address these problems, are being actively considered and we will work constructively with the Department to get these implemented as swiftly as possible. However, given that such mitigations are already in place elsewhere, and with Northern Ireland still the only part of the UK not to utilise any pension tax mitigation policies, time is really of the essence to avoid doctors leaving the health service in ever increasing numbers.

Across the UK the BMA is calling for further solutions to pension taxation issues, including:

- A tax unregistered scheme for those impacted by pension taxation, allowing doctors to stop incurring large additional tax bills for undertaking more HSC work for their patients.
- Amending the Finance Act to ensure that only "growth" above inflation would be subject to testing against the AA as was clearly originally intended.
- Addressing the issue around negative pension input amounts so that negative growth in one scheme can be offset against positive growth in the other schemes of which the individual is a member.
- Repeating, on a four-nation basis, the 2019/20 Annual Allowance compensation - scheme, given the significant impact of CPI on senior doctors.

4. Are there any additional comments you wish to provide with regard to the proposed amendments to the regulations?

Experienced doctors have played, and will continue to play, a vital part of the workforce and we are therefore pleased to see some recognition of this in the extension of this suspension by the Department. However, this recognition is greatly diminished in its impact by how these changes are being implemented.

We would reiterate that the late timing of this change has paid little heed to the fact that any professional will have to make retirement plans many months in advance. The unnecessary delay may have therefore ensured that this will only have a limited effect in retaining senior doctors. Furthermore, by implementing a short extension window, this greatly risks the same issue occurring in 6 months' time or failing to provide enough of an incentive for senior doctors to continue in their roles, as has been the case with the previous extension.

5. Are there any considerations and evidence that you think the Department should take into account when assessing any equality issues arising as a result of the proposed changes?

We would point out that these measures will have a disproportionate impact on doctors with MHO status. Retaining this particular group of doctors is vital to meet increasing need for mental health and psychology services in Northern Ireland.

The HSC workforce strategy already notes that NI has the lowest number of training commissions per head of population across the UK and Ireland, referencing the British Psychological Society 2015 Workforce Review, which identified a 19% vacancy rate across Trusts with supply of clinical psychology graduates not keeping pace with need and demand¹.

Clearly, this creates a further impetus to retain the professional we already have, so as not to impact disproportionately on the care of those with mental health conditions.

More broadly, we would encourage the Department to undertake a full equality impact assessment across all characteristics and publish the findings.

Once again, we would like to thank the Department for the opportunity to respond to this important consultation. Should you have any questions in relation to it, please contact Samuel Stone, senior policy advisor, in the first instance via sstone@bma.org.uk.

Yours sincerely,



Dr Tom Black
Chair, BMA Northern Ireland Council

¹ Department of Health (2016) 'Health and social care workforce strategy 2026' <https://www.health-ni.gov.uk/sites/default/files/publications/health/hsc-workforce-strategy-2016.pdf>