

25 January 2019

NHS Pension Scheme: proposed changes to scheme regulations

A response from Together for Short Lives

About us

1. Together for Short Lives is the UK charity for children's palliative care. We are here to support and empower families caring for seriously ill children, and to build a strong and sustainable children's palliative care sector – so that no family is left behind.
2. We support all the children's palliative care professionals and services that deliver lifeline care. We have over 1,000 members, including children hospices, other voluntary sector organisations and statutory service providers. By working together, we provide a strong and unified voice for the sector, and help services deliver the best quality care and support tailored to each family's needs.
3. As two organisations that represent the UK's hospice and palliative care sector, Together for Short Lives works closely with Hospice UK. We therefore fully support Hospice UK's response to this consultation.

Our submission

Do you agree that the proposed amendments to the NHS Pension Schemes, Additional Voluntary Contributions, Injury Benefits Regulations and Transitional Regulations deliver the policy objectives as set out in the consultation document?

4. No – Together for Short Lives disagrees with the proposed amendment relating to the increase in employer contributions.

If 'No', why?

5. Increasing the employer contributions to the NHS Pension Scheme from 14.9% to 20.6% will add significantly to the costs incurred by children's hospices. We agree with analysis of information obtained by Hospice UK from local hospices (for both children and adults) that this change would add between £20 million and £30 million per year to hospice costs.
6. While the cost of the increases for NHS organisations will be met by the additional £1.25 billion in funding that the government has set aside, the consultation document makes no reference to additional support to non-NHS direction employers, such as children's hospices. We can therefore only assume that such organisations have not been included in the calculations to date, or in the plans to distribute the additional funding.
7. Without support in the form of access to the additional funding, children's hospices will be faced with only two options in response - either to increase their fundraising efforts from their local communities to meet the shortfall, or to reduce services to absorb the additional costs. Neither of these options are palatable or sustainable.
8. The proposed change to the employer contribution follows the decision last year to increase NHS pay, which has also added significantly to children's hospice costs. The changes to NHS pay, which were also not funded for non-NHS providers, have also added approximately £30 million a year to hospice costs for both children and adults.

The cumulative impact of the changes to NHS pay and pensions will have a significant effect on children's hospice care. We are certain that they would have a negative impact on services that children's hospices provide.

9. Both changes come at a time when NHS England has announced a funding boost for children's hospices and other children's palliative care services in the NHS Long Term Plan. While we welcome the funding increase, we question why, simultaneously, the government is introducing changes to pay and pensions which will, in part, offset any funding boost children's hospices receive.

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

10. The last time that employer contributions were increased (from 7% to 14% in 2004), the government acknowledged the damaging consequential impact that this would have on non-NHS direction employers. It set aside additional funding to mitigate the impact. Over the years, that funding has been devolved as the NHS itself has devolved and continues to be included in CCG baselines.
11. In November 2013, the Department of Health reaffirmed this funding in an NHS Pay, Pensions and Employment Bulletin to clinical commissioning groups which stated that:

"In 2004 NHS Pension employer contributions increased from 7% to 14% with the Government agreeing that they would cover these costs for voluntary organisations including hospices. The funding was devolved in 2009 to PCTs and therefore is now with CCGs. Ministers requested that this funding continued to be used for what it was intended for –payment of employer pension contributions for voluntary organisations. Some CCGs have rejected invoices from Hospices. It is important to consider the background and the potential relationship implications in coming to a decision."
12. We firmly believe that the precedent set in 2004 should be followed with this proposed increase, and that additional funds should be set aside to support non-NHS direction employers.

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

13. We are deeply disappointed about the very small window for input to this important consultation which has significant potential consequences for children's hospice care. The consultation only opened on 18 December 2018, and closes on the 28 January 2019. In addition, the fact that the proposals are anticipated to come in to force on 1 April 2019 gives organisations, many of whom will be finalising budgets for 2019/20 right now, little or no time to make any necessary adjustments.

For more information please contact

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