Implementation of the NHS Pension Scheme Reforms

I am writing to you as the Chair of the staff side of the NHS Pensions Governance Group to set out my intentions in relation to implementation of the ‘Reforming the NHS Pension Scheme for England and Wales - Proposed Final Agreement’ published on the 9th March.

All Trade Unions have now completed consulting their membership on the proposals. It is clear that the majority of NHS staff have not rejected the proposals. A number of Trade Unions have voted to accept. Others have indicated that providing the proposals are implemented in full, that they had no mandate for industrial action.

In the Queen’s Speech, the Government announced that it was introducing legislation to implement public service pension reform. I am now writing to advise you that I intend to move forward to implement the new scheme design and the other measures set out in the 9th March document in their entirety for the NHS. This is without prejudice to the completion of the Equality Impact Assessment that we are working on with you. I have reviewed the emerging conclusions in the equalities analysis, and am satisfied that the decision to implement the new scheme design complies with the requirements of the public sector equality duty.

A great strength of the approach we have taken to pension reform in the NHS has been working in partnership. I believe this has led to a better new scheme design more suited to the NHS’s needs. I wish to move to implementation on the same partnership basis.
There is much important work to do. As well as doing the detailed work on new scheme provisions, we will be taking forward the detailed implementation of the Government's commitment to retain Fair Deal by providing access for TUPE transferred staff and the two important reviews of Access and Working Longer. We also need to discuss contribution rate increases in years two and three and how this will feed through in tiered contribution rates. This work needs to be taken forward in a spirit of partnership focused on achieving pension arrangements that will best meet the needs of staff and employers.

I recognise that Trade Unions are particularly concerned about the increase in normal pension age. The implications of this will be considered in the Review of Working Longer and the Government has also committed to keep the link under review as recommended by Lord Hutton. Implementation of the new Fair Deal proposals and the work underway to consider practical options to reform the terms of access for NHS staff who move other than under TUPE are also very important to your members.

I would like to invite all the NHS Unions to engage with DH and NHS Employers to implement the new scheme changes through our established partnership arrangements.

It is a matter of regret that two unions are still engaging in industrial action. They are also aware that the reason they can take this action without the Government withdrawing the offer is because of the responsible stance taken by the majority of NHS unions in their member's interests. It is difficult to see how these unions can participate in partnership working implementing the new scheme whilst they are going down the route of confrontation.

I am copying this letter to Angela Huxham, chair of the management side.

Yours ever,

ANDREW LANSLEY CBE