



# Royal College of Midwives

## **The Royal College of Midwives response to the Scottish Government consultation NHS Pension Scheme (Scotland): proposed changes to member contributions from 1 April 2022**

The Royal College of Midwives (RCM) is the trade union and professional organisation that represents the vast majority of practising midwives in the UK. It is the only such organisation run by midwives for midwives. The RCM is the voice of midwifery, providing excellence in representation, professional leadership, education and influence for and on behalf of midwives. We actively support and campaign for improvements to maternity services and provide professional leadership for one of the most established clinical disciplines.

The RCM welcomes the opportunity to respond to this consultation and our views are set out below. However we would like to note that the short timescale and uncertainty about a potential change to the consultation document has brought into question how meaningful this process is.

We want to make clear in our response that changes to the NHS Pension Scheme (Scotland) (the Scheme) have an impact on the NHS workforce and these proposed changes are in the context of a maternity workforce that is exhausted and demoralised by pay awards which although we acknowledge are higher than the rest of the UK are not keeping up in real terms with rapidly rising prices, understaffing and heavy workloads. We include in this response evidence from a survey of RCM midwife members in Scotland carried out late in 2021 about their experiences at work. Well over a third (39%) of RCM midwife members in Scotland responded to the survey. The results reported staffing shortages across all maternity services including the community, labour wards and triage. Half of respondents told the RCM they felt there is rarely safe staffing in their workplace/unit and 93% of respondents have worked without breaks in the last 18 months with many saying that this has become the norm. This has a serious impact on morale and health and safety. Stress and exhaustion were reported as widespread, with nearly 9 in every 10 respondents (88%) having experienced work-related stress. It also means RCM members are questioning whether they can remain working in the NHS with three quarters of respondents telling the RCM that they are considering leaving.

In this context the RCM has serious concerns about proposals to raise pension contributions for middle and lower paid NHS staff with rising prices, inflation and an upcoming National Insurance increase making them worse off in real terms. Although we agree that the contribution structure is due for reassessment we cannot agree to a new structure that hits lower earners the hardest. Affordability for all members should be a paramount objective, contribution structures should aim to minimise the extent to which any NHS worker feels unable to join or remain in the Scheme due to the impact of contributions on their take-home pay.



# Royal College of Midwives

In addition to the impact on take home pay that increased contributions will have we are also concerned that recent changes to NHS pensions which are complicated to communicate and understand, may undermine trust in the Scheme. Introducing changes to member contributions at the same time as embedding the McCloud remedy will further exacerbate this. Almost 40% of RCM working members in Scotland are in their fifties and sixties. There is a very real risk that those who are able to retire may do so earlier than planned due a combination of distrust in the Scheme and being financially worse off. This could see already worrying staffing levels fall further, with an obvious impact on care for women and babies and more pressure on staff left behind, Not only could there be a drop in staffing numbers but the loss of experience and expertise would be of considerable concern. Strong consideration should be given to the importance of the Scheme as a retention tool.

With a midwifery workforce that is more than 99% women of whom a large proportion work part time the RCM has a number of concerns regarding the equality impact of the proposed changes. Higher earners are more likely to be men who would benefit from the lower member contributions and we also do not feel there was enough information to understand the impact on part-time workers of the combined impact of all proposed changes.

**Q1. Do you agree or disagree that the Scottish Government should pursue a yield position of 9.6% to avoid increasing contribution rates by an additional 0.2% to meet the target yield required by HM Treasury? Recognising that maintaining the 9.6% yield will require the Scottish Government to divert £12m of vital health budget spending to pay for the pension contribution shortfall in 2022-23.**

It is noted that the consultation document outlines that the Scheme has achieved a yield of around 9.6% over the last three years and that it is the Scottish Government's position that it must in future comply with HM Treasury's requirement that member contributions in the Scheme deliver a yield of 9.8%. It is the RCM's position across the UK that the required yield is too high, particularly when compared with other public sector pension schemes, and when the new proposed member contribution structure is less progressive. A required yield of 9.8% is nearly 50% higher than the pre-reform yield of 6.6% and this is despite cost-sharing methods being built into the reformed Scheme, such as the link of normal pension age to State Pension. The RCM does not support diverting funds from essential NHS provision to deliver a 9.8% yield and we do not think it is acceptable that members should be asked to consider a trade off between their pension and funds for essential services. On 15 February 2022 the Department of Health and Social Care published its response to the consultation on proposed changes to member pension



# Royal College of Midwives

contributions to the England and Wales NHS pension scheme. The RCM does not consider that the rationale given for why the yield of both the local government and Civil Service pension schemes are lower was adequate and our position that the 9.8% yield for the NHS Scheme is too high has not changed.

**Q2 Do you agree or disagree that the member contribution rate should be based on actual annual rates of pay instead of members' notional whole-time equivalent pay? If you disagree or don't know how to answer, please explain why.**

The RCM agrees that member contribution rates should be based on actual annual rates of pay instead of members' notional whole time equivalent pay, this is consistent with equalities legislation and with the CARE basis on which all members will be accruing pension from 1 April 2022. However due to the overall increases to the middle and lower tiers contribution rates proposed the RCM is concerned that these positive changes become lost. Affected part-time workers may otherwise benefit from the move to actual pensionable pay but may not recognise this as the positive impact is lessened or removed altogether by redistributing the tiers. Prior to the McCloud remedy the RCM's position had been that the cost cap floor breach should be used in part to fund the move to actual annual rates of pay and this is still our position. The RCM notes that this would not be a concern if the McCloud remedy had not been classed as a member cost and the original cost cap floor breach had stood. The RCM is also concerned that because many of our members receive a high level of unsociable hours payments the benefit of moving to actual pay may be reduced in some instances. The RCM asks that additional analysis is carried out to further understand how the workforce is affected. It is important that it is clearly communicated to members of the Scheme exactly what this change means, the rationale behind it and that it includes a distinction between actual *pensionable* pay and actual pay in any communications so that members are not misled.

**Q3. Do you agree or disagree with the proposed member contribution structure set out in this consultation document? If you disagree or don't know how to answer, please explain why**

As outlined earlier we agree that the contribution structure is due for reassessment however the RCM cannot agree with a proposed structure that hits the middle and lower earners the hardest especially in the current economic climate. Affordability for all members should be a paramount objective, contribution structures should aim to minimise the extent to which any NHS worker feels unable to join or remain in the Scheme due to the impact of contributions on their take-home pay. The RCM agreed in principle that fewer contribution tiers could reduce the number of cliff edges caused when a member receiving a promotion or passing through a pay point experiences a cut in take-home pay. However in reducing contribution rates for higher paid workers the benefits of this to middle and lower paid staff is lost.



# Royal College of Midwives

**Q4 Do you agree or disagree that the thresholds for the member contribution tiers should continue be increased in line with annual Agenda for Change pay award? And that the increase should be based on the average uplift in AfC pay rather than tracking individual pay points. If you disagree or don't know how to answer, please explain why**

The RCM agrees that that the thresholds for the member contribution tiers should continue to be increased in line with Agenda for Change pay awards. This removes the majority of unintended 'cliff edges' by ensuring that general pay awards alone do not push most members into a higher contribution tier. However as outlined in our response to question 2 we are concerned that because of the overall increases many of our members would be expected to pay, the benefits of this are lost.

**Q5 Do you agree or disagree that the proposed member contribution structure should be phased over 2 years? If you disagree or don't know how to answer, please explain why**

The RCM agrees that changes should be phased in over two years in order to lessen the impact on take-home pay for members who would pay more under the new structure. Clear and accessible communications would be needed to ensure that members understand the changes given the proposal that this would happen at around the same time as McCloud member communications. This may cause confusion and as stated earlier potentially lead to members losing trust in the Scheme and questioning the value that it brings. We also note that in the Department of Health and Social Care response to the consultation on proposed changes to member pension contributions to the England and Wales scheme a delay to the introduction of the changes has been announced, with the reforms coming into effect in October 2022. Whilst the RCM has cautiously welcomed this delay we note that the impact on our members take home pay will only be mitigated by a pay rise in 2022/23 that absorbs the increase to contributions.

**Q6. Do you agree or disagree that the proposed draft amending regulations deliver the policy objectives of implementing the first phase of changes to the tiered contribution rate structure and the assessment of a tiered rate using actual annual rate of pensionable pay for part-time members rather than notional wholetime equivalent? If you disagree or don't know how to answer, please explain why**

The RCM has not identified any issues with the draft amending regulations. However we would like to note that the RCM does not agree with the proposed changes and question the necessity of a 9.8% required yield



Royal College  
of Midwives

**Q7. Are there any considerations and evidence that you think should take into account when assessing any equality issues arising as a result of the proposed changes?**

Government is asking respondents to consider this proposal after an initial equality impact analysis. Equalities information should be presented so that any equalities points the assessments raise can be taken into consideration when weighing up proposals and forming views on preferred approaches. Carrying out the equality assessment only after a decision has been made feels counterproductive and ineffective. The consultation document states that the Equality Impact Assessment will be reviewed based on responses received during the consultation. An equality assessment should be a live document which is continually analysed through an agreed monitoring and review process

We urge that consideration is given to the following points:

- Higher earners are more likely to be men and this group would benefit from lower member contributions.
- A large proportion of the NHS workforce are women who work part-time. The RCM feels that there was not enough information to understand the impact on part-time workers from the combined impact of all proposed changes.