

# **GDFC Report**

## **Meeting 4<sup>th</sup> May, 2012**

The majority of the meeting dealt with issues not really relevant to Wales because of the devolved NHS in Wales. Still relevant to Wales however, are issues relating to the NHS Pension Scheme and Superannuation. Seniority Payments have been stopped in England except for those already receiving payments on the grounds that they breach the Equality Act. This is not the case in Wales as yet, but the discussions that are going on in England as to how alternatives to seniority pay might happen are relevant, if only to give an insight into possible alternatives. It is important to remember that each dentist has paid throughout their NHS GDS career for the seniority payments they were likely to receive through top slicing of present and past payments.

### **NHS Pension Scheme**

1. On 9 March 2012, the Government published the final details of its proposed alterations to the NHS Pension Scheme in England and Wales. This followed many months of discussions between all health service trade unions, including the BDA, the Department of Health and NHS Employers. The final proposals can be found at [http://www.bda.org/dentists/advice/pensions/nhs-pensions/final\\_pension\\_offer.aspx](http://www.bda.org/dentists/advice/pensions/nhs-pensions/final_pension_offer.aspx)

2. Discussions on the content of the final agreement are now at an end and the unions are considering the offer. No union has agreed to the changes at this stage; some are balloting while others, including the BDA and RCN, are not.

3. The Government has reserved its position on all aspects of the scheme redesign if it is not accepted by a sufficient number of unions. The Secretary of State has said in a letter to the NHS that: *The Government has made clear this sets out its final position on the scheme design, which unions agreed to take to their Executives as the outcome of negotiations on scheme design. This includes a commitment to seek Executives' agreement to the cessation of any industrial action on pension reform whilst consulting with members. If the proposals are not accepted by a sufficient number of Trade Unions, the Government reserves its position on all aspects of this proposed scheme design.* And the Ministerial statement contained the following: *The government has made clear that the Proposed Final Agreement represents our final position on scheme design. The final scheme design is conditional on acceptance by trade unions of the Proposed Final Agreement. Trade unions have agreed to take this Proposed Final Agreement to their Executives as the outcome of negotiations. Furthermore, the Proposed Final Agreement includes a commitment by trade unions to seek Executives' agreement to the cessation of any further industrial action on pension reform.*

4. The first of the annual increases in tiered contributions took effect from 1 April 2012, as follows:

<b>Tier</b>	<b>Total Pensionable Earnings for 2012/13</b>	<b>Percentage Contribution Rate</b>
1	Up to £15000	5%
2	£15001 to £21175	5%
3	£21176 to £26557	6.5%
4	£26558 to £48982	8%
5	£48983 to £69931	8.9%
6	£69932 to £110273	9.9%
7	£110274 to any higher amount	10.9%

5. Following the member survey and legal advice on the practicality of taking industrial action, particularly for self-employed members, the BDA's Representative Body decided in February that it would not ballot on taking industrial action, despite vehement opposition to the reduction in benefits in a scheme which is not in

deficit. We also wrote to the Secretary of State asking that the proposal to defer pensionable age to state pension age be reconsidered, reflecting the consensus opinion of members in the survey who did not think it was safe for practitioners up to the age of 68 to be unable to opt for retirement at no detriment to their pension.

6. Basically the agreement is that which reflected the Government's improved offer announced before Christmas 2011 but with a lot of the ancillary details included.

7. The key **positive** features are:

- An accrual rate of 1/54th
- 10 year protection plus an additional 3 years 5 months' linear tapering
- Retention of Fair Deal protections for salaried groups
- Protection of past service benefits

8. The key **negative** features are:

- The demise of final salary
- Increased contribution rates in three year tranches
- Postponement of Normal Pension Age to be equivalent to State Pension Age

9. Other positive developments are the inclusion of a Partnership Review of Access to the NHS Pension Scheme as well as an Impact of Working Longer Review Group.

10. It should be emphasised that this 'agreement' relates to England and Wales only. Scotland and Northern Ireland have legally separate NHS Pension schemes.

## **DH Superannuation Evaluation Exercise**

1. Since September, the BSA has been undertaking a pilot evaluation of providers and performers in England where their NHS activity bears little relation to their recorded USA activity. Generally it is in cases where a dentist has little or no pension contributions but reasonable activity. Cases where performers had opted out of the pension scheme were excluded.

2. GDPC has assisted with this process in the interests of providers and performers. BDA staff met with DH, BSA and civil servants from DH pensions and NHS pensions to discuss the summary findings. It appears that in the majority of cases performers and providers were in agreement with the recorded contributions but some contributions were adjusted upwards in favour of performers. There were a lot of non-responders amongst associates and this was felt to be an issue. It looks as if the DH will decide not to do an exercise with a larger group of contractors.

3. As a result of the findings of the exercise a number of new systems will be introduced to improve the accuracy of pension information. It is also planned that the quality of information to providers and performers on pensionable earnings will be improved and the end of year reconciliation process.

4. There is one recommendation from BSA that is not acceptable and we confirmed to DH that this would require a change to the NHS pensions regulations, which we would oppose. This was the introduction of a minimum contribution level for dentists or that contributions must be made monthly. We understand that a significant number of dentists only provide a small amount of NHS activity in order to keep their pension dynamised and for their dependents to receive death in service benefits.

## **Alternatives to Seniority Payments**

### **Introduction**

The Department of Health and General Dental Practice Committee have agreed that an alternative system to seniority pay needs to be developed to ensure that money that has been paid into a system can continue to be accessed following the establishment of the *Equality Act 2010* (The Act). The Act prevents discrimination based on age which renders the application of seniority pay illegal.

The purpose of seniority pay was to ensure that dentists maintained income levels as they aged as their productivity reduced. The task that faces the GDPC is to consider the establishment of a scheme which would permit dentists who can be considered to have contributed to the scheme to access their money, but which does not breach The Act.

Seniority pay breaches The Act by discriminating against younger dentists who are not eligible to be in receipt of it. The application of an age criteria to accessing funding is no longer permitted, except in the case of pensions, for which there is a specific exemption.

DH has made it clear that they intend to implement a new system by the time of the establishment of the NHS Commissioning Board in April 2013. At present we do not believe that the Department has any proposals for a replacement scheme.

### **Alternative mechanisms to consider**

The following ideas were felt by the GCPC Executive to have some merit.

GDPs are not a fluid workforce. Once established in a region they appear to stay as they establish a patient base. A financial reward could be made for "significant contributions" to local oral health. The decision could be made by the LPN. Each NHSCB field force would have a share of the budget. The amounts paid would be defined in the SFE and paid until their NHS pension was taken. Recipients would have to continue with their local activities.

As this would be based on merit, or a reward for significant local contribution, it should not fall foul of any equality legislation.

#### *Putting money into NHS pensions*

An alternative may be to add the seniority budget to the pension pot of those dentists who are part of the pension scheme. This may require legislative changes that might impact on other professions.

#### *Clinical leadership awards*

Local Professional Networks will be local hubs to improve care and local ways of working. To perform this function they will require local clinical leaders. The fund could be used to support leadership training and extra remuneration for clinical leaders or a payment could be made to one dentist in a practice who is the practice clinical leader.

#### *Mentoring programme*

It has been suggested that dentists could receive payments for acting as a mentor to a younger dentist or a dentist who qualified outside the UK. Eligibility for the programme could be based on experience or expertise. Eligibility criteria could be developed that would make sure it was compatible with equality legislation.

I have appended the report of Welsh GDPC to GDPC for your information at this stage.

Roger Pratley

**General Dental Practice Committee  
4 May 2012  
Report from the Welsh Sub-committee**

The Welsh sub-committee is due to meet on 18<sup>th</sup> May. Additional members from LDCs in Wales have been invited to this meeting to hear presentations for the CDO, the GDC and from Public Health Wales.

**Welsh Assembly Government**

The Minister wrote to all the Chairs of the health boards in Wales informing them that the budget for dentistry until at least 2014/15 will be ring fenced and that there should be 'no expectation that any underspend on dentistry may be used to meet other LHB pressures'.

**Welsh pilot practices**

The monitoring group met recently. In general things seem to be going well from the practices view. The issues around UDA monitoring in the child pilot seem to have been resolved. What is of concern to the health boards however is the drop in patient charge revenue.

**Patients' charges**

Charges for dental treatment in Wales were not increased in April. We have been told that the minister is reviewing dental charges and may make an announcement shortly.

**Current consultations and new guidance / legislation**

There is currently one consultation (More Than Just Words) on the extended use of the Welsh language in health and social services.

**Healthcare Inspectorate Wales (HIW)**

HIW are causing some problems in that they are insisting that any practice wishing to use group 4 lasers must register with them as a private hospital. We are seeking meetings with them and their legal advisors but have as yet not been able to arrange dates as they keep cancelling.

Gareth Lloyd (Chair)  
Stuart Geddes (Director)