



Rt Hon Matt Hancock MP
Secretary of State for Health and Social Care
Department of Health and Social Care
39 Victoria Street
London
SW1H 0EU

22 January 2020

Dear Mr Hancock,

NHS Pensions and Taxation Allowances

I am writing to you again on this matter to outline the Welsh Government's position on the use of reimbursing clinicians who use scheme pay from their pensions to pay for a tax bill for 2019/20. The position that Welsh Government found itself in before Christmas was totally unacceptable. Intervening in the midst of a UK General Election without notice, let alone discussion with devolved national governments on the impact and application of UK tax rules, gave every impression of being opportunistic. The scheme in England was only brought about due to the fact that the UK Government have still not sorted out the issue of the annual and lifetime allowance charges which is causing unprecedented levels of pressures in our NHS system especially now over the winter months. The Ministerial Direction that we have issued is a sticking plaster not a sustainable long term solution.

The Welsh Government fundamentally disagrees with the solution which has been implemented in England. The tax issue should be resolved by the Treasury, not left to the health budgets of each of the four UK Governments to absorb. However, we were left with no option but to also consider putting in place the same temporary solution while the UK Government is consulting on changes from April 2020. The Welsh Government will also be writing to the Chief Secretary to the Treasury on this matter.

Whilst I have noted that it has recently been confirmed by the Treasury that the outcome of the review into the taper will be announced alongside the budget in March, I am disappointed that to date there has still been no engagement with devolved national governments. Our officials continue to engage on the consultation response to any future legislation changes to the England and Wales Pension Scheme, which I understand you will be responding to in March with any legislation changes backdated to April 2020.

The harm being done to the NHS across the UK by this issue is undeniable. The significant loss of activity is felt by our patients and it is hard to understate the loss of goodwill from our staff. In the period from April to the end of December, Health Boards in Wales have reported they have lost around 3,200 sessions which has affected nearly 27,000 outpatients, inpatients / daycase or diagnostics. It is even more important that a sustainable and transparent solution is found to resolve this issue once and for all, we cannot keep putting temporary measures in place. Given the wider public interest and importance I am making this letter publicly available.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

I am copying this letter to Edward Edgar MP, Minister of State for Health, Jeanne Freeman MSP, Cabinet Secretary for Health and Sport and to Robin Swann MLA, Department of Health in Northern Ireland.

Yours sincerely,

A handwritten signature in black ink that reads "Vaughan Gething". The signature is written in a cursive, flowing style.

Vaughan Gething AC/AM

Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol
Minister for Health and Social Services