

21 Portland Place  
London  
W1B 1PY  
Tel: 020 7631 8819  
Fax: 020 7631 4352  
Email: [pics@aagbi.org](mailto:pics@aagbi.org)



## IMPORTANT FINDINGS

### **Survey of PICU Consultants views and intentions regarding the impact of the tapered tax allowance on career intentions and clinical services**

The new tapered annual allowance tax arrangements are affecting a large proportion of Consultant staff in the NHS. Informal correspondence received by PICS council members advised that some units may be planning to reduce bed capacity, this winter, as a consequence of colleagues having to reduce their contracted hours of work. PICS carried out a survey of its consultant members in order to better quantify the problem at a national level.

#### **Key results**

Response rate: 37% (83/220 Consultants) across 30 regional PICU/ retrieval services

In the following narrative the percentage figures in brackets indicate the percentage of the whole PICU consultant body without extrapolation for the sample size.

1. 21% (8%) of respondents have had to pay a large amount unanticipated tax in last 12 months as a consequence of change in annual allowance with a further 28% (10%) uncertain.
  - 1a. Of those respondents who have been affected by tax changes, 88% (7%) are considering reducing programmed activities
  - 1b. Of those respondents who have been affected by tax changes, 71% (5%) are thinking of taking early retirement
2. 81% (20%) respondents have taken financial advice or are planning to take financial advice in next 3 months.
3. 36% (10%) respondents are planning to reduce programmed activities, with a further 33% uncertain.

#### **Council Officers**

Peter-Marc Fortune (President), James Fraser (President-Elect), Padmanabhan Ramnarayan (Honorary Secretary), Adrian Humphry (Treasurer), Margarita Burmester (Vice President), Carli Whittaker (Non-Medical Vice President).

PICS is registered as a Charitable Incorporated Organisation in England & Wales No. 1146515.

4. 30% (11%) respondents anticipate that as a consequence of themselves and colleagues reducing programmed activities, it may be necessary to reduce number of PICU beds, with a further 42% uncertain.

## **Conclusion**

Paediatric Intensive Care units are already struggling to deliver front line medical and nursing staffing in line with national standards. Many units are heavily dependent on locum staff and some have permanently unfilled posts at both junior and senior levels.

Given the small size of this discipline the consequence of consultants reducing their working hours in response to the impact tapered tax allowance arrangements is of significant concern.

It is important to acknowledge that the response rate for this survey was 37%. However, responses were received from the majority of PICUs and transport services in the UK. The results may therefore be regarded to be a true reflection of the national picture.

Without any extrapolation the impact of 10% of consultants reducing their contracted hours raises both safety concerns and a prospect of PICU beds being closed. In smaller units this could make services unsustainable. More importantly this 10% figure must be regarded as the lower limit of the number of consultants planning to reduce their contracted hours. This figure is likely to be nearer 20% given the size of the sample and the size of the 'uncertain' group.

PICS fully understands that this is part of a much larger national picture. However, following our survey we considered it important to publish this statement to illustrate the potentially catastrophic, unintended impact that the tapered pension tax allowance will have on our provision, of national services, for critical ill children and young people. We suggest that an urgent, meaningful intervention is required before our services are compromised, or a child comes to harm as a consequence of such compromise.

## Free text responses to question asking colleagues to describe other repercussions arising from pensions tapered tax allowance.

- “Our local transport service largely runs on Consultant locums - for both consultant and registrar gaps/vacancies - if consultants stop doing locums this service will collapse and not be able to run a 24 hr service”
- “Due to colleagues reducing PAs, non-clinical service provision will be reduced”
- “I think this is crazy. 2 senior members of our consultant team are planning to reduce their clinical work because of the tax implications. Our unit is a small unit with only 5 consultants. If 2 senior consultant reduce their clinical work, it will have lots of implications in patient care including quality and bed capacity”
- “It is pushing us to breaking point. 2 colleagues are reducing their hours. More may follow. The DCC commitments have to be picked up by the rest of us. There are hardly any locums around. This situation is a disaster”
- “People may leave UK to work overseas”
- “Yes, early retirement of experienced colleagues”
- “People are looking to reduce PA's. this will have impact on quality and continuity of care as more people doing less hours”
- “Significant proportion of work in department undertaken as additional (e.g. all out of hours transport cover). Suspect will find it increasing difficult to cover this additional workload that will negatively impact on service provision in the short/medium term.”
- “Elective surgical impact - longer waits”
- “Already triggered early retirements, with further to come. Local regional critical care transport service has been impacted - as PICU colleagues doing extra sessions (PAs) with them have ceased supporting their workload due to the tax issue”
- “Significant loss of senior colleagues through early retirement”
- “Demoralisation and more of us taking up the constant offers of jobs in the Middle East or Australia”
- “Lots ! Very difficult to cover unexpected absence- no-one now willing to do locums / WLI work Totally demotivating to senior staff - less teaching / research / unit development pointless applying for CEA's - therefore less likely to undertake extra roles for trust Some possibility that retrieval team would be unstaffed”
- “Staff retention and early retirement”
- “Yes, this is a patient safety issue. Cover for PICU may be reduced due to lack of staff. This will impact on bed availability. Children may not have needed beds especially during the winter and may be required to move longer distances. This will affect transport teams as well potentially resulting in longer transfers , longer waits for patients to get a transport team to them”