
National Health Service Pension Scheme

Introduction

1. This Supplementary Estimate is required for the following purposes:

RfR 1: National Health Service Pension Scheme

Increases:

AME forecast

- | | |
|------------------------------------------------|-------------|
| 1. An increase in expenditure of £152,215,000. | 152,215,000 |
|------------------------------------------------|-------------|

Decreases:

AME forecast

- | | |
|----------------------------------------------------------|-------------|
| 1. An increase in appropriations in aid of £ 45,142,000. | -45,142,000 |
|----------------------------------------------------------|-------------|

Total change in resources for RfR1	107,073,000
-------------------------------------------	-------------

Total change in resources for Estimate	107,073,000
-----------------------------------------------	-------------

2. As a result of the changes above and associated non-cash adjustments, there is no increase in the net cash requirement of £1,000.
3. Symbols are explained in the Introduction to this booklet.

Part I

£

RfR 1: National Health Service Pension Scheme	107,073,000
Total additional net resource requirement	107,073,000
Additional net cash requirement	-

SUPPLEMENTARY amounts required in the year ending 31 March 2007 for expenditure by the National Health Service Pension Scheme on:

RfR 1: National Health Service Pension Scheme

Pensions, allowances, gratuities, transfers to alternative pension arrangements, refunds of contributions, compensation for early retirement, to or in respect of persons engaged in health services or other approved employment and associated non-cash items.

The **National Health Service (NHS) Pension Scheme** will account for this Estimate.

Part II: Changes proposed

Resources	£'000				
	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
RfR 1: National Health Service Pension Scheme					
Spending in Annually Managed Expenditure (AME)					
RfR 1 - A Pensions	10,181,933	152,215	45,142	107,073	10,289,006
Total RfR 1		152,215	45,142	107,073	

Capital and Cash	£000		
	Present Provision	Change in Provision	New Provision
Total Capital Expenditure	-	-	-
Non-Operating A in A	-	-	-
Net cash requirement	1	-	1

Part II: Revised subhead detail including additional provision

Resources						Capital		£'000
1	2	3	4	5	6	7	8	
Admin	Other current	Grants	Gross Total	A in A	Net Total	Capital	Non-operating A in A	
RfR 1: National Health Service Pension Scheme								
-	-	17,639,006	17,639,006	7,350,000	10,289,006	-	-	
Spending in Annually Managed Expenditure (AME)								
<i>Central government spending</i>								
A Pensions								
-	-	17,639,006	17,639,006	7,350,000	10,289,006	-	-	
Total for Estimate:								
-	-	17,639,006	17,639,006	7,350,000	10,289,006	-	-	

Part II: Resource to cash reconciliation

	Present	Increase (+)/ Decrease (-)	£'000 Revised
Net total Resources	10,181,933	107,073	10,289,006
Voted capital items			
Capital expenditure	-	-	-
<i>Less: non-operating A in A</i>	-	-	-
Total net voted capital	-	-	-
Accruals to cash adjustment			
Adjustments to remove non-cash items:			
Cost of Capital charges	-	-	-
Depreciation	-	-	-
New provisions and adjustments to previous provisions	-17,416,791	-222,215	-17,639,006
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-	-	-
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	-	-	-
Increase(-)/decrease (+) in creditors	-	-	-
Use of provisions	4,078,712	488,003	4,566,715
Total accruals to cash adjustments	-13,338,079	265,788	-13,072,291
Excess cash to be CFERd	3,156,147	-372,861	2,783,286
Net cash requirement	1	-	1

Part III: Extra receipts payable to the Consolidated Fund

In addition to Appropriations in aid, the following income and receipts relate to the department and is payable to the Consolidated Fund (cash receipts being shown in italics):

	Present provision		New provision	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as A in A	-	-	-	-
Non-operating income not classified as A in A	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-
Excess receipts to be surrendered to the Consolidated Fund	-	<i>3,156,147</i>	-	<i>2,783,286</i>
Total	-	<i>3,156,147</i>	-	<i>2,783,286</i>

Forecast Combined Revenue Account

	£'000
	2006-07 provision
Net Programme Costs	
RfR1	
Income	
Contributions received	6,895,000
Transfers in	175,000
Other income receivable	280,000
Total Income	<u>7,350,000</u>
Expenditure	
Increase in liability	8,649,286
Interest on scheme liability	8,989,720
Other expenditure	-
Total Expenditure	<u>17,639,006</u>
Total Net Operating Cost	10,289,006
<i>of which:</i>	
Net Resource Requirement	10,289,006
CFERs	-
Non-voted expenditure	-
Resource Budget	10,289,006

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2006-07 Provision
Net Resource Outturn (Estimates)	10,289,006
<i>Adjustments to remove:</i>	
provision voted for earlier years	-
<i>Adjustments to additionally include:</i>	
non-voted expenditure in the OCS	-
Consolidated Fund extra receipts (CFERS) in the OCS	-
Other adjustments	-
Net Operating Costs (Accounts)	10,289,006
<i>Adjustments to remove:</i>	
capital grants	-
European Union income related to capital grants	-
voted expenditure outside the budget	-
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
resource consumption of non-departmental public bodies	-
unallocated resource provision	-
Other adjustments	-
Resource Budget Outturn (Budget)	10,289,006
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	-
Annually Managed Expenditure (AME)	10,289,006

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2006-07 Provision
Net Voted Capital Outturn (Estimates)	-
<i>Adjustments to remove:</i>	
gains/losses from sale of capital assets	-
<i>Adjustments to additionally include:</i>	
other Consolidated Fund Extra Receipts	-
capital spending by non-departmental public bodies	-
capital grants	-
European Union income related to capital grants	-
supported capital expenditure (revenue)	-
capital spending by levy funded bodies	-
unallocated capital provision	-
Other adjustments	-
Capital Budget Outturn (Budget)	-
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	-
Annually Managed Expenditure (AME)	-

Notes to the Estimate (*continued*)

Explanation of Accounting Officer responsibilities

In accordance with the Government Resources and Accounts Act 2000 the Treasury has made the following Accounting Officer appointments for the Requests for Resources within this Estimate.

Request for Resources 1 Nick Scholte, Chief Executive of the NHSBSA

Nick Scholte as the Accounting Officer (AO) of the NHSBSA has personal responsibility for the proper presentation of the NHS Pension Scheme's resource accounts as prescribed in legislation or by the Treasury and their transmission to the Comptroller and Auditor General. The AO as the permanent head, in addition to any responsibilities for an assigned RfR, remains in general overall charge of the NHS Pensions Scheme.

The responsibilities of an Accounting Officer are set out in Annex 4.1 of Government Accounting. In essence these responsibilities include a personal responsibility for the propriety and regularity of the public finances for which they are answerable; for the keeping of proper accounts; for prudent and economical administration; for the avoidance of waste and extravagance; and for the efficient and effective use of all available resources. In addition, the Accounting Officer must ensure that there is a sound system of internal control to support the achievement of the NHS Business Services Authority's policies, aims, and objectives; and should regularly review the effectiveness of that system.

Notes to the Estimate (*continued*)

Analysis of operating appropriations in aid (A in A)

£'000
2006-07
Provision

RfR 1: National Health Service Pension Scheme

Programme

of which:

Pension scheme related income 7,350,000

Total RfR 1 7,350,000 *

* Amount that may be applied as appropriations in aid in addition to the net total, arising from: superannuation contributions; transfer values; deductions from superannuation contributions and lump sum payments in lieu of graduated contributions; contributions equivalent premiums (CEPs).

Total Operating A in A 7,350,000 *

Notes to the Estimate (*continued*)

Analysis of Consolidated Fund extra receipts

		£'000	
		2006-07 provision	
		Income	Receipts
Excess cash receipts	Δ	-	2,783,286
Total		-	2,783,286

Cash which may be retained to offset expenditure

	£'000
Cash which may be retained by the department to offset expenditure in the year due to its relationship with income (operating and non-operating) that has been or will be appropriated in aid	7,350,000

Change in accounting policy

There was a change in accounting policy during 2005-06 in how the liability for the enhancement of pensions due to premature retirement was treated for amounts recharged to employers on an ongoing basis. Prior to 2005-06 the future liability for the rechargeable pension costs was disclosed as a separate liability. In 2005-06 this liability was assimilated into the overall liability of the scheme. However, this decision was taken after the 2006-07 Main Estimate had been submitted. The cash flow is therefore now accounted for as a release of pension provision.