

---

# 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.	Subhead A decrease in expenditure of £ 9,200,000 and decrease in appropriations in aid of £ 86,013,000	76,813,000
----	---	------------

##### Non-budget forecast

1	Subhead B increase in assessment of discount rate change	1,200,000,000
---	--	---------------

<b>Total change in resources for RfR1</b>	1,276,813,000
---	---------------

<b>Total change in resources for Estimate</b>	1,276,813,000
---	---------------

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**

£

<b>RfR 1: National Health Service Pension Scheme</b>	<b>1,276,813,000</b>
Total additional net resource requirement	1,276,813,000
<b>Additional net cash requirement</b>	<b>-</b>

---

SUPPLEMENTARY amounts required in the year ending 31 March 2006 for expenditure by the National Health Service (NHS) Pensions Agency 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

The National Health Service (NHS) Pensions Agency 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
<b>RfR 1: National Health Service Pension Scheme</b>					
<b>Spending in Annually Managed Expenditure (AME)</b>					
RfR 1 - A Pensions	8,815,591	-9,200	-86,013	76,813	8,892,404
<b>Non-budget</b>					
RfR 1 - B Pensions	16,700,000	1,200,000	-	1,200,000	17,900,000
<b>Total RfR 1</b>		<b>1,190,800</b>	<b>-86,013</b>	<b>1,276,813</b>	

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

## 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
<b>RfR 1: National Health Service Pension Scheme</b>							
-	33,564,250	-	33,564,250	6,771,846	26,792,404	-	-
<b>Spending in Annually Managed Expenditure (AME)</b>							
<i>Central government spending</i>							
A Pensions							
-	15,664,250	-	15,664,250	6,771,846	8,892,404	-	-
<b>Non-budget</b>							
B Pensions							
-	17,900,000	-	17,900,000	-	17,900,000	-	-
<b>Total for Estimate:</b>							
-	33,564,250	-	33,564,250	6,771,846	26,792,404	-	-

## Part II: Resource to cash reconciliation

	Present	Increase (+)/ Decrease (-)	£'000 Revised
<b>Net total Resources</b>	<b>25,515,591</b>	<b>1,276,813</b>	<b>26,792,404</b>
<b>Voted capital items</b>			
Capital expenditure	-	-	-
<i>Less: non-operating A in A</i>	-	-	-
<b>Total net voted capital</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Accruals to cash adjustment</b>			
Adjustments to remove non-cash items:			
Cost of Capital charges	-	-	-
Depreciation	-	-	-
New provisions and adjustments to previous provisions	-32,373,450	-1,120,800	-33,494,250
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	3,778,425	77,907	3,856,332
<b>Total accruals to cash adjustments</b>	<b>-28,595,025</b>	<b>-1,042,893</b>	<b>-29,637,918</b>
<b>Excess cash to be CFERd</b>	<b>3,079,435</b>	<b>-233,920</b>	<b>2,845,515</b>
<b>Net cash requirement</b>	<b>1</b>	<b>-</b>	<b>1</b>

## 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	300	<i>300</i>	228	<i>228</i>
Excess receipts to be surrendered to the Consolidated Fund	-	<i>3,079,435</i>	-	<i>2,845,515</i>
<b>Total</b>	<b>300</b>	<b><i>3,079,735</i></b>	<b>228</b>	<b><i>2,845,743</i></b>

## Forecast Combined Revenue Account

	£'000
	2005-06 provision
<b>Income</b>	
Contributions received	6,421,846
Transfers in	200,000
Other income receivable	150,000
<b>Total Income</b>	<b>6,771,846</b>
<b>Expenditure</b>	
Increase in liability	7,858,766
Interest on scheme liability	7,735,484
Other expenditure	70,000
<b>Total Expenditure</b>	<b>15,664,250</b>
<b>Total Net Operating Cost</b>	<b>8,892,404</b>
<i>of which:</i>	
<b>Net Resource Outturn</b>	<b>26,792,404</b>
CFERs	-
Non-voted expenditure	-
<b>Resource Budget Outturn</b>	<b>8,892,404</b>

## Notes to the Estimate

### Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2005-06 Provision
<b>Net Resource Outturn (Estimates)</b>	<b>26,792,404</b>
<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	-17,900,000
<b>Net Operating Costs (Accounts)</b>	<b>8,892,404</b>
<i>Adjustments to remove:</i>	
capital grants to local authorities	-
capital grants financed from the Capital Modernisation Fund	-
European Union income and related adjustments	-
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	-
<b>Resource Budget Outturn (Budget)</b>	<b>8,892,404</b>
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	-
Annually Managed Expenditure (AME)	8,892,404

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2005-06 Provision
<b>Net Voted Capital Outturn (Estimates)</b>	-
<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 to local authorities	-
capital grants financed by the Capital Modernisation Fund	-
local authority credit approvals	-
capital spending by levy funded bodies	-
unallocated capital provision	-
Other adjustments	-
<b>Capital Budget Outturn (Budget)</b>	-
<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**      Alan Stuttard, Chief Executive of the NHSPA

Alan Stuttard as the Accounting Officer (AO) of the NHS Pensions Agency has personal responsibility for the proper presentation of the NHS Pension Agency'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 Agency.

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 Pension Agency's policies, aims, and objectives; and should regularly review the effectiveness of that system.

## Notes to the Estimate (*continued*)

### Analysis of appropriations in aid (A in A)

	£'000	
	2005-06 Provision	
	Operating A in A	Non operating A in A
<b>RfR 1: National Health Service Pension Scheme</b>		
Income from contributions and transfers in	6,771,846	-
<b>Total RfR 1</b>	<b>6,771,846</b> *	-
<i>of which: Administration budgets</i>	-	-

\* 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).

## Notes to the Estimate (*continued*)

### Analysis of Consolidated Fund extra receipts

		£'000	
		2005-06 provision	
		Income	Receipts
Other income	Δ	228	228
Other miscellaneous receipts	Δ	-	2,845,515
<b>Total</b>		<b>228</b>	<b>2,845,743</b>

### Cash which may be retained to offset expenditure

**£'000**  
6,771,846

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