
National Health Service Pension Scheme

Introduction

1. This Estimate covers the payment of pensions and other benefits to persons covered by the National Health Service (NHS) Pension Scheme. The rules of the scheme are set out in the National Health Service Pension Scheme Regulations 1995 (as amended).
2. Membership of the scheme is open to most employees in the NHS and for doctors and dentists in general practice and the benefits include payments to widows, widowers and dependants of participants who die in service or retirement. Provision is also made for refunds of contributions to early leavers, and for the payment and receipt of transfer payments in respect of persons moving out of and into employments covered by the scheme.
3. The Estimate includes the increase payable in accordance with the Annual Review Orders made under section 59 of the Social Security Pension act 1975. The scheme is notionally funded for the basic benefits and pensions increase. Part of the scheme's income consists of receipts from contributions (both employer and employee), capitalised payments for early retirements and transfers from other pension schemes. These are appropriated in aid of the Estimate to offset the expenditure of benefits.
4. The NHS Business Services Authority is responsible for administering the scheme. The related running costs are borne on the Department of Health Estimate.
5. Symbols are explained in the Introduction to this booklet.

Part I

	£
Request for Resources 1: National Health Service Pension Scheme	10,181,933,000
Total net resource requirement	10,181,933,000
Net cash requirement	1,000

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 in other approved employment, and associated non-cash items.

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

	Net total	Allocated in Vote on Account	Balance to complete
RfR 1	10,181,933,000	3,967,015,000	6,214,918,000
Total net resource requirement	10,181,933,000	3,967,015,000	6,214,918,000
Net cash requirement	1,000	-	1,000

Part II: Subhead detail

										£'000	
2006-07 Provision										2005-06 Provision	2004-05 Outturn
Resources						Capital Non- operating A		Net Total Resources	Net Total Resources		
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	in A	9	10		
1	2	3	4	5	6	7	8				
RfR 1: NHS Pension Scheme											
-	-	17,486,791	17,486,791	7,304,858	10,181,933	-	-	8,892,404	6,396,065		
Spending in Annually Managed Expenditure (AME)											
<i>Central Government spending</i>											
A Pensions											
-	-	17,486,791	17,486,791	7,304,858	10,181,933	-	-	8,892,404	6,396,065		
Total for Estimate:											
-	-	17,486,791	17,486,791	7,304,858	10,181,933	-	-	8,892,404	6,396,065		

Part II: Resource to cash reconciliation

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Net Resource Requirement	10,181,933	8,892,404	6,396,065
Voted capital items			
Capital	-	-	-
Less Non-operating A-in-A	-	-	-
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	-15,594,250	-12,330,000
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-	-	-
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	196,195
Increase (-) / Decrease (+) in creditors	-	-	45,207
Use of provisions	4,078,712	3,856,332	3,588,832
Total accruals to cash adjustments	-13,338,079	-11,737,918	-8,499,766
Excess cash to be CFERd	3,156,147	2,845,515	2,103,701
Net Cash Requirement	1	1	-

Part III: Extra receipts payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):

	£'000					
	2006-07		2005-06		2004-05	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	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	-	-	228	228	284	284
Excess cash receipts to be surrendered to the Consolidated Fund	-	<i>3,156,147</i>	-	<i>2,845,515</i>	-	<i>2,103,701</i>
Total	-	<i>3,156,147</i>	228	<i>2,845,743</i>	284	<i>2,103,985</i>

Forecast Combined Revenue Account

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Net Programme Costs			
RfR 1	10,181,933	8,892,404	6,396,065
<i>of which:</i>			
Income			
Contributions received	6,954,858	6,421,846	5,708,307
Transfers in	200,000	200,000	173,158
Other income receivable	150,000	150,000	117,751
	7,304,858	6,771,846	5,999,216
Expenditure			
Increase in liability	8,788,063	7,858,766	6,180,000
Interest on scheme liability	8,628,728	7,735,484	6,150,000
Other expenditure	70,000	70,000	65,281
	17,486,791	15,664,250	12,395,281
Total Net Programme costs	10,181,933	8,892,404	6,396,065
Total Net Operating Cost	10,181,933	8,892,404	6,396,065
<i>of which:</i>			
Net Resource Requirement	10,181,933	8,892,404	6,396,065
Non-voted expenditure	-	-	-
Consolidated Fund Extra Receipts	-	-	-
Resource Budget	10,181,933	8,892,404	6,396,065

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Net Resource Requirement (Estimates)	10,181,933	8,892,404	6,396,065
<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 in the OCS	-	-	-
Other adjustments	-	-	-
Net Operating Cost (Accounts)	10,181,933	8,892,404	6,396,065
<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 (Budget)	10,181,933	8,892,404	6,396,065
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	-	-	-
Annually Managed Expenditure (AME)	10,181,933	8,892,404	6,396,065

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Net Voted Capital (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 (Budget)	-	-	-
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	-	-	-
Annually Managed Expenditure (AME)	-	-	-

Notes to the Main 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 appointment for the Request for Resources within this Estimate.

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

Nick Scholte as the Accounting Officer of the National Health Service Pension Scheme has personal responsibility for the proper presentation of the department'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, remains in general overall charge of the National Health Service Pension 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 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 the available resources. In addition, the Accounting Officer must ensure that there is a sound system of internal control to support the achievement of the organisation's policies, aims and objectives and should regularly review the effectiveness of that system.

Notes to the Main Estimate (*continued*)

Analysis of operating appropriations in aid (A in A)

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
RfR 1: NHS Pension Scheme			
Programme	7,304,858	6,771,846	5,999,216
<i>of which:</i>			
Pension scheme related income	7,304,858	6,771,846	5,999,216
Total RfR 1	7,304,858†	6,771,846	5,999,216
† Amount that may be applied as operating 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	7,304,858	6,771,846	5,999,216

Notes to the Main Estimate (*continued*)

Analysis of Consolidated Fund extra receipts

	£'000					
	2006-07		2005-06		2004-05	
	Provision		Provision		Outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Other income Δ	-	-	228	228	284	284
Excess A in A Δ	-	3,156,147	-	2,845,515	-	2,103,701
Total	-	3,156,147	228	2,845,743	284	2,103,985

Notes to the Main Estimate (*continued*)

Comparison of provision sought with final provision for the previous year

The total net resource sought for 2006-07 of £10,181,933,000 is 14.5 per cent higher than the final net provision for 2005-06 of £8,892,404,000.

Cash which may be retained to offset expenditure

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
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.	7,304,858	6,771,846	5,999,216

