
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 NHS Pensions Scheme Regulations 1995 (as amended) and 2008.
2. Membership of the scheme is open to most employees of the NHS and for doctors and dentists in general practice. 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 Order made under section 59 of the Social Security Pensions 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 pensions schemes. These are appropriated in aid of the Estimate to offset the expenditure of benefits.
4. The NHS Business Services Authority Pensions Division 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 the booklet.

National Health Service Pension Scheme

Part I

	£
Request for Resources 1: National Health Service Pension Scheme	12,526,645,000
Total net resource requirement	12,526,645,000
Net cash requirement	1,000

Amounts required in the year ending 31 March 2010 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	12,526,645,000	6,331,993,000	6,194,652,000
Total net resource requirement	12,526,645,000	6,331,993,000	6,194,652,000
Net cash requirement	1,000	-	1,000

Part II: Subhead detail

£'000

2009-10 Provision						2008-09 Provision	2007-08 Outturn		
Resources						Capital	Non- operating	Net Total	Net Total
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	A in A	Resources	Resources
1	2	3	4	5	6	7	8	9	10
RfR 1: National Health Service Pension Scheme									
-	-	20,620,268	20,620,268	8,093,623	12,526,645	-	-	14,071,096	10,174,416
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
A	Pensions								
-	-	20,620,268	20,620,268	8,093,623	12,526,645	-	-	14,071,096	10,174,416
Total for Estimate:									
-	-	20,620,268	20,620,268	8,093,623	12,526,645	-	-	14,071,096	10,174,416

Part II: Resource to cash reconciliation

£'000

	2009-10 Provision	2008-09 Provision	2007-08 Outturn
Net Resource Requirement	12,526,645	14,071,096	10,174,416
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	-20,620,268	-21,615,699	-17,420,000
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-	-	-
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-20,000	-15,000	-61,350
Increase (-) / Decrease (+) in creditors	48,523	51,104	-47,810
Use of provisions	6,068,000	5,708,500	5,097,010
Total accruals to cash adjustments	-14,523,745	-15,871,095	-12,432,150
Excess cash to be CFERd	1,997,101	1,800,000	2,257,734
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					
	2009-10		2008-09		2007-08	
	Provision		Provision		Outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Operating income not classified as A in A	-	-	-	-	-	237
Non-operating income not classified as A in A	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	<i>1,997,101</i>	-	<i>1,800,000</i>	-	<i>2,257,497</i>
Total	-	1,997,101	-	1,800,000	-	2,257,734

Forecast Combined Revenue Account

£'000

	2009-10 Provision	2008-09 Provision	2007-08 Outturn
Net Programme Costs			
RfR 1	12,526,645	14,071,096	10,174,416
<i>of which:</i>			
Income			
Contributions received	7,881,623	7,304,603	6,873,823
Transfers in	100,000	125,000	110,462
Other income receivable	112,000	115,000	261,299
Total Income	8,093,623	7,544,603	7,245,584
Expenditure			
Increase in liability	8,545,077	9,864,564	7,250,000
Interest on scheme liability	12,075,191	11,751,135	10,170,000
Other expenditure	-	-	-
Total Expenditure	20,620,268	21,615,699	17,420,000
Total Net Programme costs	12,526,645	14,071,096	10,174,416
Total Net Operating Cost	12,526,645	14,071,096	10,174,416
<i>of which:</i>			
Net Resource Requirement	12,526,645	14,071,096	10,174,416
Non-voted expenditure	-	-	-
Consolidated Fund Extra Receipts	-	-	-
Reduction in planned spend unable to be included in Estimate	-	-	-
Resource Budget	12,526,645	14,071,096	10,174,416

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

£'000

	2009-10 Provision	2008-09 Provision	2007-08 Outturn
Net Resource Requirement (Estimates)	12,526,645	14,071,096	10,174,416
<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	-	-	-
Reductions in planned spend unable to be included in Estimate	-	-	-
Other adjustments	-	-	-
Net Operating Cost (Accounts)	12,526,645	14,071,096	10,174,416
<i>Adjustments to remove:</i>			
Gains / losses from sale of capital assets	-	-	-
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)	12,526,645	14,071,096	10,174,416
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	-	-	-
Annually Managed Expenditure (AME)	12,526,645	14,071,096	10,174,416

Reconciliation of capital expenditure between Estimates and Budgets

£'000

	2009-10 Provision	2008-09 Provision	2007-08 Outturn
Net Voted Capital (Estimates)	-	-	-
<i>Adjustments to remove:</i>			
Provision voted for earlier years	-	-	-
<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	-	-	-
Reductions in planned spend unable to be included in Estimate	-	-	-
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

The Accounting Officer prepares resource accounts for each financial year.

The following Accounting Officer appointments have been made for the Request for Resources within this Estimate:

Request for Resources 1: Nick Scholte, Chief Executive of the NHS Business Service Authority

Nick Scholte, has personal responsibility for the proper presentation of the resource accounts and their transmission to the Comptroller and Auditor General. Nick Scholte is also responsible for the use of public money and stewardship of assets.

In discharging these responsibilities particular regard is given to:

- Observing any accounting and disclosure requirements (including any Accounts Direction) and applying suitable accounting policies on a consistent basis;
- making judgements and estimates on a reasonable basis;
- stating whether applicable accounting standards, as set out in the *Financial Reporting Manual* (FReM), or an organisation's version of it, have been followed, and explain any material departures in the accounts; and
- preparing the accounts on a going concern basis.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and safeguarding assets, are set out in chapter 3 of *Managing Public Money* issued by the Treasury.

Notes to the Main Estimate (*continued*)

Analysis of operating appropriations in aid (A in A)

	£'000		
	2009-10 Provision	2008-09 Provision	2007-08 Outturn
RfR 1: National Health Service Pension Scheme			
Programme	8,093,623	7,544,603	7,245,584
<i>of which:</i>			
Pension scheme related income	8,093,623	7,544,603	7,245,584
Other income (including receipts)	-	-	-
Total RfR 1	8,093,623†	7,544,603	7,245,584
<i>† 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).</i>			
Total Operating A in A	8,093,623	7,544,603	7,245,584

Notes to the Main Estimate (*continued*)
Analysis of Consolidated Fund extra receipts

£'000

	2009-10 Provision		2008-09 Provision		2007-08 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Other CFERs •	-	-	-	-	-	237
Excess cash •	-	1,997,101	-	1,800,000	-	2,257,497
Total	-	1,997,101	-	1,800,000	-	2,257,734

Notes to the Main Estimate (*continued*)

Comparison of provision sought with final provision and forecast outturn for the previous year

The total net resource sought for 2009-10 of £12,526,645,000 is 11.0 per cent lower than the final net provision for 2008-09 of £14,071,096,000 and 6.4 per cent lower than the forecast outturn for 2008-09 of £13,387,349,000.

Cash which may be retained to offset expenditure

	£'000		
	2009-10 Provision	2008-09 Provision	2007-08 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.	8,093,623	7,544,603	7,245,584
