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# National Health Service Pension Scheme

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## 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 Pensions 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 the booklet.

# National Health Service Pension Scheme

## Part I

	£
<b>Request for Resources 1: National Health Service Pension Scheme</b>	<b>14,304,784,000</b>
<b>Total net resource requirement</b>	<b>14,304,784,000</b>
<b>Net cash requirement</b>	<b>1,000</b>

Amounts required in the year ending 31 March 2008 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
<b>RfR 1</b>	<b>14,304,784,000</b>	<b>4,581,870,000</b>	<b>9,722,914,000</b>
<b>Total net resource requirement</b>	<b>14,304,784,000</b>	<b>4,581,870,000</b>	<b>9,722,914,000</b>
<b>Net cash requirement</b>	<b>1,000</b>	<b>-</b>	<b>1,000</b>

**Part II: Subhead detail**

£'000

2007-08 Provision						2006-07 Provision	2005-06 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	
<b>RfR 1: National Health Service Pension Scheme</b>										
-	-	21,850,884	21,850,884	7,546,100	14,304,784	-	-	10,289,006	9,280,631	
<b>Spending in Annually Managed Expenditure (AME)</b>										
<i>Central Government spending</i>										
A Pensions	-	-	21,850,884	21,850,884	7,546,100	14,304,784	-	-	10,289,006	9,280,631
<b>Total for Estimate:</b>										
-	-	21,850,884	21,850,884	7,546,100	14,304,784	-	-	10,289,006	9,280,631	

## Part II: Resource to cash reconciliation

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
<b>Net Resource Requirement</b>	14,304,784	10,289,006	9,280,631
<b>Voted capital items</b>			
Capital	-	-	-
Less Non-operating A-in-A	-	-	-
<b>Total net voted capital</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	-21,850,884	-17,639,006	-15,850,000
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	4,881,856	4,566,714	3,943,072
<b>Total accruals to cash adjustments</b>	-16,969,028	-13,072,292	-11,906,928
<b>Excess cash to be CFERd</b>	2,664,245	2,783,287	2,626,297
<b>Net Cash Requirement</b>	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):

	<b>£'000</b>					
	<b>2007-08</b>		<b>2006-07</b>		<b>2005-06</b>	
	<b>Provision</b>		<b>Provision</b>		<b>Outturn</b>	
	<b>Income</b>	<b><i>Receipts</i></b>	<b>Income</b>	<b><i>Receipts</i></b>	<b>Income</b>	<b><i>Receipts</i></b>
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
Excess cash receipts to be surrendered to the Consolidated Fund	-	<i>2,664,245</i>	-	<i>2,783,287</i>	-	<i>2,626,297</i>
<b>Total</b>	<b>-</b>	<b><i>2,664,245</i></b>	<b>-</b>	<b><i>2,783,287</i></b>	<b>228</b>	<b><i>2,626,525</i></b>

## Forecast Combined Revenue Account

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
<b>Net Programme Costs</b>			
RfR 1	14,304,784	10,289,006	9,280,631
<i>of which:</i>			
Income			
Contributions received	7,201,100	6,895,000	6,296,404
Transfers in	125,000	175,000	157,121
Other income receivable	220,000	280,000	115,844
<b>Total Income</b>	<b>7,546,100</b>	<b>7,350,000</b>	<b>6,569,369</b>
Expenditure			
Increase in liability	11,629,814	8,649,286	7,750,000
Interest on scheme liability	10,221,070	8,989,720	8,100,000
Other expenditure	-	-	-
<b>Total Expenditure</b>	<b>21,850,884</b>	<b>17,639,006</b>	<b>15,850,000</b>
<b>Total Net Programme costs</b>	<b>14,304,784</b>	<b>10,289,006</b>	<b>9,280,631</b>
<b>Total Net Operating Cost</b>	<b>14,304,784</b>	<b>10,289,006</b>	<b>9,280,631</b>
<i>of which:</i>			
Net Resource Requirement	14,304,784	10,289,006	9,280,631
Non-voted expenditure	-	-	-
Consolidated Fund Extra Receipts	-	-	-
<b>Resource Budget</b>	<b>14,304,784</b>	<b>10,289,006</b>	<b>9,280,631</b>

## Notes to the Main Estimate (*continued*)

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

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
<b>Net Resource Requirement (Estimates)</b>	<b>14,304,784</b>	<b>10,289,006</b>	<b>9,280,631</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 in the OCS	-	-	-
Other adjustments	-	-	-
<b>Net Operating Cost (Accounts)</b>	<b>14,304,784</b>	<b>10,289,006</b>	<b>9,280,631</b>
<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	-	-	-
<b>Resource Budget (Budget)</b>	<b>14,304,784</b>	<b>10,289,006</b>	<b>9,280,631</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	-	-	-
Annually Managed Expenditure (AME)	14,304,784	10,289,006	9,280,631

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2007-08 Provision	2006-07 Provision	2005-06 Outturn
<b>Net Voted Capital (Estimates)</b>	-	-	-
<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	-	-	-
<b>Capital Budget (Budget)</b>	-	-	-
<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 NHS Business Service Authority

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)

	<b>£'000</b>		
	<b>2007-08 Provision</b>	<b>2006-07 Provision</b>	<b>2005-06 Outturn</b>
<b>RfR 1: National Health Service Pension Scheme</b>			
<b>Programme</b>	<b>7,546,100</b>	<b>7,350,000</b>	<b>6,569,369</b>
<i>of which:</i>			
Pension scheme related income	7,546,100	7,350,000	6,569,369
<b>Total RfR 1</b>	<b>7,546,100<sup>†</sup></b>	<b>7,350,000</b>	<b>6,569,369</b>
<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>			
<b>Total Operating A in A</b>	<b>7,546,100</b>	<b>7,350,000</b>	<b>6,569,369</b>

## Notes to the Main Estimate (*continued*)

### Analysis of Consolidated Fund extra receipts

	<b>£'000</b>					
	<b>2007-08</b>		<b>2006-07</b>		<b>2005-06</b>	
	<b>Provision</b>		<b>Provision</b>		<b>Outturn</b>	
	<b>Income</b>	<b>Receipts</b>	<b>Income</b>	<b>Receipts</b>	<b>Income</b>	<b>Receipts</b>
Other income $\Delta$	-	-	-	-	228	228
Excess cash receipts $\bullet$	-	2,664,245	-	2,783,287	-	2,626,297
<b>Total</b>	-	<b>2,664,245</b>	-	<b>2,783,287</b>	<b>228</b>	<b>2,626,525</b>

## 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 2007-08 of £14,304,784,000 is 39.0 per cent higher than the final net provision for 2006-07 of £10,289,006,000 and 39.3 per cent higher than the forecast outturn for 2006-07 of £10,266,720,000.

### Cash which may be retained to offset expenditure

	<b>£'000</b>		
	<b>2007-08 Provision</b>	<b>2006-07 Provision</b>	<b>2005-06 Outturn</b>
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.	7,546,100	7,350,000	6,569,369

