

# Department for Constitutional Affairs: Judicial Pensions Scheme

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## Introduction

1. The Estimate covers the payment of pensions and other benefits to persons covered by the Judicial Pensions Scheme (JPS). Further details of the expenditure contained in this Estimate can be found in the Department for Constitutional Affairs' Departmental Report (Cm 6210).
2. Provision is made within this Estimate for:
  - (a) interest costs arising on the accruing costs of all judicial pensions,
  - (b) the increase in value of the future pension liability, (i.e. core pension entitlements and pension increases), earned during the period but payable in the future by currently serving members of the judiciary who are salaried from departmental estimates, and
  - (c) the increase in value of the future liability (for pension increases only), earned during the period but payable in the future by currently serving members of the judiciary whose base pensions will be met directly from the Consolidated Fund.
3. The Scheme's Appointing Bodies meet the costs of pension cover for their office holders by payments of set charges on an accruals basis. These charges are known as the 'Accruing Superannuation Liability Charges (ASLCs)'. These charges, along with Scheme members' contributions are appropriated in aid on this Estimate.
4. From 2003-04 pension schemes administered by Central Government adopted the Financial Reporting Standard ("FRS") 17 Retirement benefits. As a consequence, the Scheme's Resource Accounts include on the balance sheet, the Scheme's full liability to meet future pension costs of retired, deferred and serving members of the Scheme. Resource expenditure is now mainly measured as the change in the liability during the year (i.e. the build-up of benefit entitlements payable in the future from currently serving members in the year). This Estimate now reflects this treatment of pensions under FRS 17.
5. Symbols are explained in the Introduction to this booklet.

**Part I**

	£
<b>Request for Resources 1: Judicial Pensions Scheme</b>	<b>24,168,000</b>
<b>Total net resource requirement</b>	<b>24,168,000</b>
<b>Net cash requirement</b>	<b>1,000</b>

Amounts required in the year ending 31 March 2005 for expenditure by the Department for Constitutional Affairs:

**RfR 1: Judicial Pensions Scheme**

Pensions etc, in respect of members of judicial pensions scheme, and for other related services.

The Judicial Pensions Scheme of the **Department for Constitutional Affairs** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
<b>RfR 1</b>	24,168,000	6,444,000	17,724,000
<b>Total net resource requirement</b>	24,168,000	6,444,000	17,724,000
<b>Net cash requirement</b>	1,000	—	1,000

**Part II: Subhead detail**

£'000

2004-05						2003-04 Provision	2002-03 Outturn		
Resources						Capital		Net Total Resources	Net Total Resources
Admin	Other Current	Grants	Gross Total	A in A	Net Total	Capital	Non- operating A in A		
1	2	3	4	5	6	7	8	9	10
<b>RfR 1: Judicial Pensions Scheme</b>									
-	92,282	-	92,282	68,114	24,168	-	-	20,466	66,462
<b>Spending in Annually Managed Expenditure (AME)</b>									
<i>Central Government spending</i>									
A Judicial Pensions Scheme									
-	92,282	-	92,282	68,114	24,168	-	-	20,466	66,462
<b>Total for Estimate:</b>									
-	92,282	-	92,282	68,114	24,168	-	-	20,466	66,462

## Part II: Resource to cash reconciliation

	2004-05		2003-04		2002-03	
	Provision		Provision		Outturn	
	£'000					
<b>Net Total Resources</b>		24,168		20,466		66,462
<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	-92,282		-87,244		-80,662	
Profit/loss on sale of assets	-		-		-	
Prior period adjustments	-		-		-	
Other non-cash items	-		-		-	
Increase (+) / Decrease (-) in stock	-		-		-	
Increase (+) / Decrease (-) in debtors	-		-		39	
Increase (-) / Decrease (+) in creditors	-		-		-962	
Use of provisions	19,000		18,000		16,042	
<b>Total accruals to cash adjustments</b>		-73,282		-69,244		-65,543
<b>Excess cash to be CFERd</b>		49,115		48,779		1
<b>Net Cash Requirement</b>		1		1		920

## 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):-

	2004-05		2003-04		2002-03	
	Provision		Provision		Outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Operating income not classified as AinA	-	-	-	-	-	-
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	<i>49,115</i>	-	<i>48,779</i>	-	<i>1</i>
<b>Total</b>	-	<i>49,115</i>	-	<i>48,779</i>	-	<i>1</i>

## Forecast Revenue Account

£'000

	Notes	2004-05 provision	2003-04 provision	Indicative 2002-03 outturn
<b>Contributions receivable</b>	1			
CF-paid Judiciary ASLCs		38,347	37,595	
Non CF-paid Judiciary ASLCs		23,539	23,078	
CF-paid Judiciary employee contributions		3,476	3,408	
Non CF-paid Judiciary employee contributions		2,751	2,697	
		68,114	66,778	
Transfers in		—	—	
Other income receivable		—	—	
		<b>68,114</b>	<b>66,778</b>	<b>14,200</b>
<b>Less pension costs</b>	2			
Current Service costs CF-paid Judiciary		39,718	38,356	34,838
Current Service Costs CF-paid Judiciary pension increases		5,047	4,874	4,470
Current Service costs Non CF-paid Judiciary		25,235	24,370	22,092
Interest on Scheme liabilities: CF-paid Judiciary		35,179	32,909	30,640
Interest on Scheme liabilities: CF-paid Judiciary pension increases		4,470	4,182	3,893
Interest on Scheme liabilities: Non CF-paid Judiciary		22,351	20,909	19,567
		<b>132,000</b>	<b>125,600</b>	<b>115,500</b>
<b>Total Net Outgoings for the year</b>		<b>63,886</b>	<b>58,822</b>	<b>101,300</b>
<i>of which:</i>				
<b>Net Resource Outturn</b>		<b>24,168</b>	<b>20,466</b>	<b>66,462</b>
CFERs		—	—	—
Non-voted expenditure				
Current Service costs CF-paid Judiciary		39,718	38,356	34,838
<i>Less</i>				
Consolidated Fund extra receipts (notional)		—	—	—
<b>Resource Budget Outturn</b>		<b>63,886</b>	<b>58,822</b>	<b>101,300</b>

1 From 2003-04 Appointing bodies pay an accrued superannuation liability charge (ASLC) rate of 29% of the total pensionable pay of their Judicial Office Holders. In prior years no ASLCs were paid by Appointing Bodies in respect of most judicial salaries.

2 The Pension costs are based on the Government Actuary Department's assessment of the increases in the JPS liability during the years 2002-03, 2003-04 and 2004-05.

## Notes to the Main Estimate

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

	£'000		
	2004-05 Provision	2003-04 Provision	Indicative 2002-03 Outturn
<b>Net Resource Outturn (Estimates)</b>	<b>24,168</b>	<b>20,466</b>	<b>66,462</b>
<i>Adjustments to remove:</i>			
provision voted for earlier years	—	—	—
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	39,718	38,356	34,838
Consolidated Fund Extra Receipts in the OCS	—	—	—
Other adjustments	—	—	—
<b>Net Operating Cost (Accounts)</b>	<b>63,886</b>	<b>58,822</b>	<b>101,300</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>63,886</b>	<b>58,822</b>	<b>101,300</b>
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	—	—	—
Annually Managed Expenditure (AME)	63,886	58,822	101,300

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2004-05 Provision	2003-04 Provision	2002-03 Outturn
<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 Main Estimate (*continued*)

### Explanation of Accounting Officer responsibilities

The Treasury has appointed the Permanent Head of the Department for Constitutional Affairs, Sir Hayden Phillips, as Accounting Officer of the Judicial Pensions Scheme with responsibility for preparing the Scheme's Estimate.

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 for safeguarding the Scheme's assets, are set out in the Accounting Officers' Memorandum, issued by the Treasury and published in *Government Accounting*.

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

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

	£'000					
	2004-05 provision		2003-04 provision		Indicative 2002-03 outturn	
	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A	Operating A in A	Non- operating A in A
<b>RfR 1: Judicial Pensions Scheme</b>						
Accruing superannuation liability charges	61,886	—	60,673	—	—	—
Office Holders' pension contributions	6,228	—	6,105	—	14,200	—
<b>Total RfR 1</b>	<b>68,114*</b>	<b>—</b>	<b>66,778</b>	<b>—</b>	<b>14,200</b>	<b>—</b>

\*Amount that may be applied as appropriations in aid in addition to the net total, arising from accruing superannuation liability charges (ASLCs); and Office Holders' pension contributions.

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

### Analysis of Consolidated Fund extra receipts

	£'000					
	2004-05 provision		2003-04 provision		2002-03 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Excess cash receipts $\Delta$	—	49,115	—	48,779	—	1
<b>Total</b>	—	<b>49,115</b>	—	<b>48,779</b>	—	<b>1</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 2004-05 of £24,168,000 is 18.1 per cent higher than the provision and forecast outturn for 2003-04 of £20,466,000.

### Cash which may be retained to offset expenditure

Cash which may be retained by the department to offset expenditure in the year due to its relationship with income (operating and non-operating) which has or will be appropriated in aid.

	£'000		
	2004-05 Provision	2003-04 Provision	2002-03 Outturn
	68,114	66,778	14,200