
Department of Trade and Industry: United Kingdom Atomic Energy Authority superannuation schemes

Introduction

1. This Request for Resources covers the payments of pensions and lump sums to retired members or their dependants, transfer values for members transferring to other schemes and repayments of contributions under the three UKAEA superannuation schemes. The Principal Non-Industrial Superannuation Scheme (PNISS), the Combined Pension Scheme of UKAEA (CPS) and the Protected Persons Superannuation Scheme (PPSS) cover employees of the UKAEA, National Radiological Protection Board and British Nuclear Fuels plc together with one employee of Amersham plc and some employees of the Engineering and Physical Sciences Research Council, the Particle Physics and Astronomy Research Council and the Council for the Central Laboratory of the Research Councils who were formerly employed by the Science and Engineering Research Council and former UKAEA employees who transferred to the Ministry of Defence (Atomic Weapons Establishment (AWE)). The CPS and PPSS are closed to new entrants.

2. As a consequence of adopting Financial Reporting Standard (“FRS”) 17 ‘Retirement Benefits’, the Resource Accounts of pension schemes administered by central government from 2003-04 include on their balance sheets the liability to meet future pension costs. They also account for the accruing cost of providing pensions rather than just the benefits payable and contributions receivable.

Request for Resources

3. The Estimate provision for resource expenditure is therefore the cost of benefits accruing in the year. The most significant of these are the build-up of benefit entitlements from employees service during the year and the interest cost arising because future benefit payments are one year closer to settlement. Income from contributions continues to be appropriated in aid of expenditure.

Net Cash Requirement

4. The elements of the Net Cash Requirement are the use of the balance sheet provision for pensions.

Introduction (*continued*)

Consequences of the change

5. There may be a significant difference between the resource costs and cash requirements of retirement benefits. There is no necessary relationship between the benefits accruing in any particular year and the benefits paid in that year.

6. Further details of the expenditure and income contained in this RfR can be found in “Trade and Industry, the Government’s Expenditure Plans 2004-05 to 2005-06 Cm6216”.

7. The income consists of actual receipts and notional interest which is credited each year at rates agreed with the Government actuary. Income from contributions under the scheme is appropriated in aid.

8. The provision sought for 2004-05 is 1.7 per cent lower than the final net provision and forecast outturn for 2003-04 of £249.225 million. A breakdown of the forecast outturn for 2003-04 by individual function is given in the Expenditure Plans.

9. Assumptions for 2004-05 compared to current estimates for 2003-04 are:

	2004-05			2003-04		
	Number	Average Pension		Number	Average Pension	
		Annual	Weekly		Annual	Weekly
Pensioners	16,388	7,815	150.28	17,507	7,561	145.40
Dependants	6,228	3,455	66.44	6,899	3,154	60.65

10. Associated administrative costs are borne by the UKAEA who recover the appropriate proportion from the other participating employers.

12. Symbols are explained in the Introduction to this booklet.

Part I

	£
Request for Resources 1: Effective management of United Kingdom Atomic Energy Authority superannuation schemes	245,060,000
Total net resource requirement	245,060,000
Net cash requirement	128,000,000

Amounts required in the year ending 31 March 2005 for expenditure by the Department of Trade and Industry on:

RfR 1: Effective management of United Kingdom Atomic Energy Authority superannuation schemes

Payment of pensions etc to members of the United Kingdom Atomic Energy Authority superannuation schemes and the related expenditure and associated non-cash items.

The **Department of Trade and Industry** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	245,060,000	105,282,000	139,778,000
Total net resource requirement	245,060,000	105,282,000	139,778,000
Net cash requirement	128,000,000	56,052,000	71,948,000

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
RfR 1: Effective management of United Kingdom Atomic Energy Authority superannuation schemes									
-	275,060	-	275,060	30,000	245,060	-	-	249,225	226,960
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Payments of pensions, transfer values and repayments of contributions									
-	60	-	60	-	60	-	-	-	60
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
B Payments of pensions, transfer values and repayments of contributions									
-	275,000	-	275,000	30,000	245,000	-	-	249,225	226,900
Total for Estimate:									
-	275,060	-	275,060	30,000	245,060	-	-	249,225	226,960

Part II: Resource to cash reconciliation

	£'000		
	2004-05 Provision	2003-04 Provision	2002-03 Outturn
Net Total Resources	245,060	249,225	226,960
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	-275,000	-278,000	-244,000
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-60	-	-60
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-408
Increase (-) / Decrease (+) in creditors	-	-	63
Use of provisions	158,000	156,000	145,947
Total accruals to cash adjustments	-117,060	-122,000	-98,458
Excess cash to be CFERd	-	-	-
Net Cash Requirement	128,000	127,225	128,502

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					
	2004-05 Provision		2003-04 Provision		2002-03 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	-	-	-	-	15,256	<i>15,664</i>
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	-	-	-	-	-	-
Total	-	-	-	-	15,256	<i>15,664</i>

Forecast Combined Revenue Account

£'000

	Provision 2004-05	Provision 2003-04	Outturn 2002-03
Resource costs relating to payments of pensions, transfer values and repayments of contributions	275,060	278,000	244,060
(1) Increase in value of liability due to interest on scheme liabilities	188,000	193,000	156,000
(2) Current Service Cost (increase in present value of scheme liabilities expected to arise from employee service in the current period)	80,000	78,000	76,000
(3) Increase in value of liability arising from current service cost, past service cost, group and individual transfers and added years	7,000	7,000	12,000
(4) Notional Audit Fee	60	—	60
	30,000	28,775	17,100
<i>less</i>			
(1) UKAEA employees' contributions	22,500	21,700	15,600
(2) UKAEA employers' contributions	500	75	500
(3) UKAEA transfer values received	7,000	7,000	1,000
Total net programme costs	245,060	249,225	211,704
Net Operating Cost	245,060	249,225	211,704
<i>of which:</i>			
Net Resource Outturn	245,060	249,225	226,960
<i>less</i>			
Prior period adjustments	—	—	—
<i>plus</i>			
CFERs			
Non-voted	—	—	-15,256
Resource Budget Outturn	245,060	249,225	211,704

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2004-05 Provision	2003-04 Provision	2002-03 Outturn
Net Resource Outturn (Estimates)	245,060	249,225	226,960
<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	—	—	-15,256
Other adjustments			
Net Operating Cost (Accounts)	245,060	249,225	211,704
<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			
Resource Budget Outturn (Budget)	245,060	249,225	211,074
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	60	—	60
Annually Managed Expenditure (AME)	245,000	249,225	211,644

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2004-05 Provision	2003-04 Provision	2002-03 Outturn
Net Voted Capital Outturn (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 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			
Capital Budget Outturn (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 Treasury has appointed the Permanent Head of the Department of Trade and Industry, Sir Robin Young as Principal Accounting Officer with overall responsibility for preparing this 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 Department'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		2003-04		2002-03		
	provision		provision		outturn		
	Operating	Non-	Operating	Non-	Operating	Non-	
	A in A	operating	A in A	operating	A in A	operating	A in A
	A in A	A in A	A in A	A in A	A in A	A in A	A in A
RfR 1: Effective management of United Kingdom Atomic Energy Authority superannuation schemes							
UKAEA employees' contributions	22,500	—	21,700	—	15,600	—	
UKAEA employers' contributions	500	—	75	—	500	—	
UKAEA transfer values received	7,000	—	7,000	—	1,000	—	
Total RfR 1	30,000*	—	28,775	—	17,100	—	

*Amount that may be applied as operating appropriations in aid, in addition to the net total arising from receipts for employees' and employers' contributions and transfer values received.

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 receipts not authorised to be used as appropriations in aid	—	—	—	—	15,256	15,664
Total	—	—	—	—	15,256	15,664

Departmental Expenditure Limits

	£'000		
	Voted*	Non-voted	Total
Resource DEL	60	—	60
Capital DEL	—	—	—
Less depreciation	—	—	—
Total DEL	60	—	60

Notes to the Main Estimate (*continued*)**Comparisons of provision sought with final provision and forecast outturn for the previous year**

The total net resource sought for 2004-05 of £245,060,000 is 1.7 per cent lower than the final provision and forecast outturn for 2003-04 of £249,225,000.

Cash which may be retained to offset expenditure**£'000**

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

	2004-05 provision	2003-04 provision	2002-03 outturn
	30,000	28,775	17,100
