

Department for Constitutional Affairs: Judicial Pensions Scheme

Introduction

1. This 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 6530).
2. Provision is made within this Estimate for:
 - (a) interest costs arising on the accruing costs of all judicial pensions during the year. (This amount is equivalent to unwinding the the discount originally included in the scheme liabilities as future pension benefits are one year closer to settlement.);
 - (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 to currently serving members of the judiciary whose salaries are paid from departmental resources; and
 - (c) the increase in value of the future liability (for pensions increase only) earned during the period but payable in the future by currently serving members of the judiciary whose salaries are met directly from the Consolidated Fund.
3. Additional resources to cover the rise in Scheme liabilities as a result of the overnight change in the discount rate of all public sector pension liabilities from 3.5% to 2.8% is also included in this Estimate. The actuaries have assessed this as an extra £130m resources for the Scheme.
4. The Scheme's Appointing Bodies meet the costs of pension cover for their Judicial Office Holders by payments of set charges on an accruals basis. These charges are known as 'Accruing Superannuation Liability Charges (ASLCs)'. These charges, along with scheme members' contributions, are appropriated in aid on this Estimate.
5. Symbols are explained in the Introduction to this booklet.

Part I

	£
Request for Resource 1: Judicial Pensions Scheme	164,076,000
Total net resource requirement	164,076,000
Net cash requirement	1,000

Amounts required in the year ending 31 March 2006 for expenditure by the Department for Constitutional Affairs on:

RfR 1: Judicial Pensions Scheme

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

The **Department for Constitutional Affairs** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	164,076,000	10,876,000	153,200,000
Total net resource requirement	164,076,000	10,876,000	153,200,000
Net cash requirement	1,000	—	1,000

Part II: Subhead detail

£'000

2005-06						2004-05 Provision	2003-04 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: Judicial Pensions Scheme									
-	236,041	-	236,041	71,965	164,076	-	-	24,313	20,206
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
A Judicial Pensions Scheme									
-	106,041	-	106,041	71,965	34,076	-	-	24,313	20,206
Non-budget									
B Judicial Pensions Scheme									
-	130,000	-	130,000	-	130,000	-	-	-	-
Total for Estimate:									
-	236,041	-	236,041	71,965	164,076	-	-	24,313	20,206

Part II: Resource to cash reconciliation

	£'000		
	2005-06 Provision	2004-05 Provision	2003-04 Outturn
Net Total Resources	164,076	24,313	20,206
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	-236,041	-92,427	-86,984
Profit (+) / loss (-) on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-	-	-
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	5,697
Increase (-) / Decrease (+) in creditors	-	-	312
Use of provisions	19,320	18,400	17,691
Total accruals to cash adjustments	-216,721	-74,027	-63,284
Excess cash to be CFERd	52,646	49,715	43,079
Net Cash Requirement	1	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					
	2005-06 Provision		2004-05 Provision		2003-04 Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	-	-	2,096	-	140	-
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>52,646</i>	-	<i>49,715</i>	-	<i>43,079</i>
Total	-	<i>52,646</i>	2,096	<i>49,715</i>	140	<i>43,079</i>

Notes to the Main Estimate

Forecast Combined Revenue Account

	£'000		
	Provision 2005-06	Provision 2004-05	Outturn 2003-04
Net programme costs, Request for Resources 1			
Income			
Contributions received	71,965	70,210	66,918
Transfers in	—	—	—
Other income receivable	—	—	—
	71,965	70,210	66,918
Expenditure			
Increase in liability	81,000	70,336	67,000
Interest on scheme liability	71,000	62,000	58,000
Other expenditure	—	—	—
Change in discount rate	130,000	—	—
	292,000	132,336	125,000
Total net programme costs	164,076	22,217	20,066
Net Operating Cost	210,035	62,126	58,082
<i>of which:</i>			
Net Resource Outturn	164,076	24,313	20,206
<i>less</i>			
Prior period adjustments	—	—	—
<i>Plus</i>			
CFERs	—	-2,096	-140
Non-voted	45,959	39,909	38,016
Resource Budget Outturn	80,035	62,126	58,082

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2005-06 Provision	2004-05 Provision	Indicative 2003-04 Outturn
Net Resource Outturn (Estimates)	164,076	24,313	20,206
<i>Adjustments to remove:</i>			
provision voted for earlier years	—	—	—
<i>Adjustments to additionally include:</i>			
non-voted expenditure in the OCS	45,959	39,909	38,016
Consolidated Fund Extra Receipts in the OCS	—	-2,096	-140
Other adjustments	—	—	—
Net Operating Cost (Accounts)	210,035	62,126	58,082
<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	-130,000	—	—
<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)	80,035	62,126	58,082
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	—	—	—
Annually Managed Expenditure (AME)	80,035	62,126	58,082

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2005-06 Provision	2004-05 Provision	2003-04 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

In accordance with 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: Alex Allen, the Permanent Head of the Department for Constitutional Affairs

Alex Allen, as the Principal Accounting Officer (PAO) of the Department for Constitutional Affairs: Judicial Pensions Scheme has personal responsibility for the proper presentation of the Department for Constitutional Affairs: Judicial Pensions Scheme's resource accounts as prescribed in legislation or by the Treasury and their transmission to the Comptroller and Auditor General. The PAO as the permanent head, in addition to the responsibilities for the assigned RfR, remains in general overall charge of the Department for Constitutional Affairs: Judicial Pensions 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 the 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 available resources. In addition, the Accounting Officer must ensure that there is a sound system of internal control to support the achievement of the Department for Constitutional Affairs: Judicial Pensions Scheme's policies, aims and objectives; and should regularly review the effectiveness of that system.

Notes to the Main Estimate (*continued*)

Analysis of appropriations in aid (A in A)

£'000

	2005-06 provision		2004-05 provision		Indicative 2003-04 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
Request for Resource 1: Judicial Pensions Scheme						
Accruing superannuation liability charges (ASLCs)	65,385	—	61,886	—	60,673	—
Office Holders' pension contributions	6,580	—	6,228	—	6,105	—
Total RfR 1	71,965*	—	68,114	—	66,778	—
<i>of which: Administration Budgets</i>	—	—	—	—	—	—

*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 (CFERs)

	£'000					
	2005-06 provision		2004-05 provision		2003-04 outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Operating Income – Excess A in A Δ	—	—	2,096	—	140	—
Excess cash receipts Δ	—	52,646	—	49,715	—	43,079
Total	—	52,646	2,096	49,715	140	43,079

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 2005-06 of £164,076,000 is 574.8 per cent higher than the final net provision and forecast outturn for 2004-05 of £24,313,000.

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) that has been or will be appropriated in aid.

	£'000		
	2005-06 provision	2004-05 provision	2003-04 outturn
	71,965	68,114	66,778