

## Department of Trade and Industry: UKAEA pension schemes

### Introduction

1. This Supplementary Estimate is required for the following purposes:

#### Changes in resources

#### **RfR1: Effective management of UKAEA pension schemes**

Amount £

#### **Increases:**

##### Annually Managed Expenditure

1.	Programme costs RfR1: subhead B3 Revised forecast for increase in value of liability due to interest on scheme liabilities	20,669,000
2.	Programme costs RfR1: subhead B3 Revised forecast for Current Service Cost (increase in present value of scheme liabilities arising from employee service in the current period)	9,923,000
3.	Programme costs RfR1: subhead B3 Revised forecast for other expenditure (increase in value of liability arising from group and individual transfers)	1,889,000
4.	Programme costs RfR1: subhead B5 Reduced forecast of income from employers' contributions	10,361,000

#### **Decreases:**

##### Annually Managed Expenditure

1.	Programme costs RfR1: subhead B5 Increased income related to employees' contributions	-438,000
2.	Programme costs RfR1: subhead B5 Increased income related to inward transfers from other pension schemes	-1,889,000

**Total change in resources for RfR1 40,515,000**

**Total change in resources for Estimate 40,515,000**

2. As a result of the changes above and associated non-cash adjustments, there is an increase in the net cash requirement of £4,387,000.
3. Symbols are explained in the Introduction to this booklet.

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**Part I**

£

<b>RfR 1: Effective management of UKAEA pension schemes</b>	<b>40,515,000</b>
Total additional net resource requirement	40,515,000
<b>Additional net cash requirement</b>	<b>4,387,000</b>

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SUPPLEMENTARY amounts required in the year ending 31 March 2007 for expenditure by the Department of Trade and Industry: UKAEA Pension Schemes on:

**RfR 1: Effective management of UKAEA pension 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.

## Part II: Changes proposed

Resources	£'000					
	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision	
<b>RfR 1: Effective management of UKAEA pension schemes</b>						
<b>Spending in Annually Managed Expenditure (AME)</b>						
RfR 1 - B	Payments of pensions, transfer values and repayments of contributions	207,136	32,481	-8,034	40,515	247,651
<b>Total RfR 1</b>			<b>32,481</b>	<b>-8,034</b>	<b>40,515</b>	
<b>Total Changes to RfRs</b>			<b>32,481</b>	<b>-8,034</b>	<b>40,515</b>	

Capital and Cash	£000		
	Present Provision	Change in Provision	New Provision
Total Capital Expenditure	-	-	-
Non-Operating A in A	-	-	-
<b>Net cash requirement</b>	<b>66,561</b>	<b>4,387</b>	<b>70,948</b>

**Part II: Revised subhead detail including additional provision**

Resources					Capital	£'000	
1	2	3	4	5	6	7	8
Admin	Other current	Grants	Gross Total	A in A	Net Total	Capital	Non-operating A in A
<b>RfR 1: Effective management of UKAEA pension schemes</b>							
-	62	341,020	341,082	93,369	247,713	-	-
<b>Spending in Departmental Expenditure Limits (DEL)</b>							
<i>Central Government spending</i>							
A Payments of pensions, transfer values and repayments of contributions							
-	62	-	62	-	62	-	-
<b>Spending in Annually Managed Expenditure (AME)</b>							
<i>Central government spending</i>							
B Payments of pensions, transfer values and repayments of contributions							
-	-	341,020	341,020	93,369	247,651	-	-
<b>Total for Estimate:</b>							
-	62	341,020	341,082	93,369	247,713	-	-

## Part II: Resource to cash reconciliation

	<u>Present</u>	<u>Increase (+)/ Decrease (-)</u>	<u>£'000</u> <u>Revised</u>
<b>Net total Resources</b>	<b>207,198</b>	<b>40,515</b>	<b>247,713</b>
<b>Voted capital items</b>			
Capital expenditure	-	-	-
<i>Less: non-operating A in A</i>	-	-	-
<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	-308,539	-32,481	-341,020
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-62	-	-62
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	-	-	-
Increase(-)/decrease (+) in creditors	-	-	-
Use of provisions	167,964	-3,647	164,317
<b>Total accruals to cash adjustments</b>	<b>-140,637</b>	<b>-36,128</b>	<b>-176,765</b>
<b>Excess cash to be CFERd</b>	-	-	-
<b>Net cash requirement</b>	<b>66,561</b>	<b>4,387</b>	<b>70,948</b>

## Part III: Extra receipts payable to the Consolidated Fund

In addition to Appropriations in aid, the following income and receipts relate to the department and is payable to the Consolidated Fund (cash receipts being shown in italics):

	<u>Present provision</u>		<u>New provision</u>	
	<u>Income</u>	<u>Receipts</u>	<u>Income</u>	<u>Receipts</u>
Operating income not classified as A in A	-	-	60,720	<i>60,720</i>
Non-operating income not classified as A in A	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-
Excess receipts to be surrendered to the Consolidated Fund	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>60,720</b>	<b><i>60,720</i></b>

## Forecast Combined Revenue Account

	£'000
	2006-07 provision
<b>Net Programme Costs</b>	
RfR1	247,713
<i>of which:</i>	
Income	
Contributions received	24,077
Transfers in	7,889
Other income receivable	61,403
	<u>93,369</u>
Expenditure	
Increase in liability	107,733
Interest on scheme liability	225,398
Other expenditure	7,951
	<u>341,082</u>
CFERs	<u>-60,720</u>
<b>Total Net Programme costs</b>	<b>186,993</b>
<b>Total Net Operating Cost</b>	<b>186,993</b>
<i>of which:</i>	
<b>Net Resource Requirement</b>	<b>247,713</b>
Non-voted expenditure	-
CFERs	-60,720
<b>Resource Budget</b>	<b>186,993</b>

## Notes to the Estimate

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

	£'000
	2006-07 Provision
<b>Net Resource Requirement (Estimates)</b>	<b>247,713</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 (CFERS) in the OCS	-60,720
Other adjustments	-
<b>Net Operating Costs (Accounts)</b>	<b>186,993</b>
<i>Adjustments to remove:</i>	
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>186,993</b>
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	62
Annually Managed Expenditure (AME)	186,931

### Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2006-07 Provision
<b>Net Voted Capital (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	-
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)	-

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## Notes to the 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 appointments for the Requests for Resources within this Estimate.

**Request for Resources 1**      Sir Brian Bender, Permanent Head of the Department

Sir Brian Bender as the Accounting Officer of the Department of Trade and Industry: UKAEA pension schemes 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 Department of Trade and Industry: UKAEA pension schemes.

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 organisations policies, aims and objectives; and should regularly review the effectiveness of that system.

## Notes to the Estimate (*continued*)

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

	£'000
	2006-07
	<u>Provision</u>
<b>RfR 1: Effective management of UKAEA pension schemes</b>	
<b>Programme</b>	<b>93,369</b>
<i>of which:</i>	
Pension scheme related income	154,089
CFERs	-60,720
<b>Total RfR 1</b>	<b>93,369 †</b>
† Amount that may be applied as appropriations in aid in addition to the net total, arising from: receipts from employers' and employees' superannuation contributions; transfer values received.	
<b>Total Operating A in A</b>	<b>93,369</b>

## Notes to the Estimate (*continued*)

### Analysis of Consolidated Fund extra receipts

	£'000	
	2006-07 provision	Receipts
	Income	Receipts
Pensions Contributions under Scape Regulations( Superannuation Contributions adjusted for Past experience) Δ	60,720	60,720
<b>Total</b>	<b>60,720</b>	<b>60,720</b>

### Departmental Expenditure Limits and Administration Budgets

	Change		New DEL		£'000
	Voted	Non-voted	Voted	Non-voted	Total
Resource DEL	-	-	62	-	62
<i>of which:</i>					
Administration budget*	-	-	-	-	-
Near-cash in RDEL	-	-	-	-	-
Capital**	-	-	-	-	-
Less Depreciation†	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>62</b>	<b>-</b>	<b>62</b>

\* The total of 'Administration budget' and 'Near-cash in Resource DEL' figures may well be greater than total resource DEL, due to the definitions overlapping.

\*\*Capital DEL includes items treated as resource in Estimates and accounts but which are treated as Capital DEL in budgets.

†Depreciation, which forms part of resource DEL, is excluded from total DEL since capital DEL includes capital spending and to include depreciation of those assets would lead to double counting.

### 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	93,369