

Department of Trade and Industry: UKAEA pension schemes

Introduction

1. This Request for Resources covers the provision 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 UKAEA pension schemes.
2. There are three schemes: the Combined Scheme (CPS), the Principal Non-industrial superannuation scheme (PNISS), and the Protected Persons superannuation scheme (PPSS). The schemes cover employees of the UKAEA, British Nuclear Fuels plc and the Civil Nuclear Police Authority and some employees of the Health Protection Agency, 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, and former UKAEA employees who transferred to the Ministry of Defence Atomic Weapons Establishment (AWE). The PNISS and PPSS are closed to new entrants.
3. Further details of the expenditure and income contained in this RfR can be found in the Department of Trade and Industry's Departmental Report 2006 (Cm 6826).
4. The income consists of contributions from employers and employees, and transfer values in respect of staff joining from other schemes. Income is appropriated in aid.
5. Assumptions for 2006-07 compared to 2005-06 are

	2006-07			2005-06		
	Average pension			Average pension		
	Number	Annual	Weekly	Number	Annual	Weekly
Pensioners	16,137	8,275	159.13	16,241	8,057	154.94
Dependents	6,276	3,659	70.36	6,247	3,562	68.50

6. Associated administrative costs are borne by the UKAEA who recover the appropriate proportion from the other participating employers.
7. Symbols are explained in the Introduction to this booklet.

Part I

	£
Request for Resources 1: Effective management of UKAEA pension schemes	207,198,000
Total net resource requirement	207,198,000
Net cash requirement	66,561,000

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.

	Net total	Allocated in Vote on Account	Balance to complete
RfR 1	207,198,000	118,612,000	88,586,000
Total net resource requirement	207,198,000	118,612,000	88,586,000
Net cash requirement	66,561,000	59,454,000	7,107,000

Part II: Subhead detail

										£'000	
2006-07 Provision										2005-06 Provision	2004-05 Outturn
Resources						Capital Non- operating A in A		Net Total Resources	Net Total Resources		
Admin 1	Other Current 2	Grants 3	Gross Total 4	A in A 5	Net Total 6	Capital 7	8	9	10		
RfR 1: Effective management of UKAEA pension schemes											
-	62	308,539	308,601	101,403	207,198	-	-	274,507	248,265		
Spending in Departmental Expenditure Limits (DEL)											
<i>Central Government spending</i>											
A Payments of pensions, transfer values and repayments of contributions											
-	62	-	62	-	62	-	-	62	50		
Spending in Annually Managed Expenditure (AME)											
<i>Central Government spending</i>											
B Payments of pensions, transfer values and repayments of contributions											
-	-	308,539	308,539	101,403	207,136	-	-	274,445	248,215		
Total for Estimate:											
-	62	308,539	308,601	101,403	207,198	-	-	274,507	248,265		

Part II: Resource to cash reconciliation

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Net Resource Requirement	207,198	274,507	248,265
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	-308,539	-303,419	-286,652
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-62	-62	-50
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-
Increase (-) / Decrease (+) in creditors	-	-	-944
Use of provisions	167,964	165,522	153,137
Total accruals to cash adjustments	-140,637	-137,959	-134,509
Excess cash to be CFERd	-	-	-
Net Cash Requirement	66,561	136,548	113,756

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					
	2006-07		2005-06		2004-05	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as A in A	-	-	-	-	2,179	<i>1,289</i>
Non-operating income not classified as A in A	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	-	-	-	-	2,179	<i>1,289</i>

Forecast Combined Revenue Account

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Net Programme Costs			
RfR 1	207,198	274,507	246,086
<i>of which:</i>			
Income			
Contributions received	23,639	22,928	21,238
Transfers in	6,000	6,000	17,156
Other income receivable	71,764	46	43
	101,403	28,974	38,437
Expenditure			
Increase in liability	97,810	100,130	80,212
Interest on scheme liability	204,729	195,856	189,284
Other expenditure	6,062	7,495	17,206
	308,601	303,481	286,702
Total Net Programme costs	207,198	274,507	246,086
Total Net Operating Cost	207,198	274,507	246,086
<i>of which:</i>			
Net Resource Requirement	207,198	274,507	248,265
Non-voted expenditure	-	-	-
Consolidated Fund Extra Receipts	-	-	-2,179
Resource Budget Outturn	207,198	274,507	246,086

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Net Resource Requirement (Estimates)	207,198	274,507	248,265
<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	-	-	-2,179
Other adjustments	-	-	-
Net Operating Cost (Accounts)	207,198	274,507	246,086
<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	-	-	-
Resource Budget (Budget)	207,198	274,507	246,086
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	62	62	50
Annually Managed Expenditure (AME)	207,136	274,445	246,036

Reconciliation of capital expenditure between Estimates and Budgets

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
Net Voted Capital (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	-	-	-
European Union income related to capital grants	-	-	-
Supported capital expenditure (revenue)	-	-	-
Capital spending by levy funded bodies	-	-	-
Unallocated capital provision	-	-	-
Other adjustments	-	-	-
Capital Budget (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 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: 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 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 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 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)

	£'000		
	2006-07	2005-06	2004-05
	Provision	Provision	Outturn
RfR 1: Effective management of UKAEA pension schemes			
Programme	101,403	28,974	38,437
<i>of which:</i>			
Pension scheme related income	101,403	28,974	40,616
CFERs	-	-	-2,179
Total RfR 1	101,403†	28,974	38,437
† Amount that may be applied as operating appropriations in aid in addition to the net total arising from: receipts for employers' and employees' contributions and transfer values received.			
Total Operating A in A	101,403	28,974	38,437

Notes to the Main Estimate (*continued*)

Analysis of Consolidated Fund extra receipts

	£'000					
	2006-07		2005-06		2004-05	
	Provision		Provision		Outturn	
	Income	Receipts	Income	Receipts	Income	Receipts
Excess A in A Δ					2,179	1,289
Total	-	-	-	-	2,179	1,289

Notes to the Main Estimate (*continued*)

Departmental Expenditure Limits and Administration budgets

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

* The total of the '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.

Comparison of provision sought with final provision for the previous year

The total net resource budget sought for 2006-07 of £207,198,000 is 24.5 per cent lower than the final net provision for 2005-06 of £274,507,000.

Cash which may be retained to offset expenditure

	£'000		
	2006-07 Provision	2005-06 Provision	2004-05 Outturn
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.	101,403	28,974	38,437

