

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, the National Radiological Protection Board 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, and former UKAEA employees who transferred to the Ministry of Defence Atomic Weapons Establishment (AWE). The PNISS and PPPS 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 Annual Report 2005 (Cm 6536).

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 2005-06 compared to 2004-05 are:

	2005-06			2004-05		
	Number	Average Pension		Number	Average Pension	
		Annual	Weekly		Annual	Weekly
Pensioners	16,241	8,057	154.94	16,388	7,815	150.28
Dependants	6,247	3,562	68.50	6,228	3,455	66.44

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	595,583,000
Total net resource requirement	595,583,000
Net cash requirement	132,120,000

Amounts required in the year ending 31 March 2006 for expenditure by the Department of Trade and Industry on:

RfR 1: Effective management of UKAEA pension schemes

Payment of pensions etc., to members of the United Kingdom Atomic Energy Authority pension 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	595,583,000	110,277,000	485,306,000
Total net resource requirement	595,583,000	110,277,000	485,306,000
Net cash requirement	132,120,000	57,600,000	74,520,000

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: Effective management of UKAEA pension schemes									
-	626,376	-	626,376	30,793	595,583	-	-	249,516	238,548
Spending in Departmental Expenditure Limits (DEL)									
<i>Central Government spending</i>									
A Payments of pensions, transfer values and repayments of contributions									
-	62	-	62	-	62	-	-	60	62
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
B Payments of pensions, transfer values and repayments of contributions									
-	294,314	-	294,314	30,793	263,521	-	-	249,456	238,486
Non-budget									
C Payments of pensions, transfer values and repayments of contributions									
-	332,000	-	332,000	-	332,000	-	-	-	-
Total for Estimate:									
-	626,376	-	626,376	30,793	595,583	-	-	249,516	238,548

Part II: Resource to cash reconciliation

	£'000					
	2005-06		2004-05		2003-04	
	Provision		Provision		Outturn	
Net Total Resources		595,583		249,516		238,548
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	-626,314		-287,893		-267,261	
Profit (+) / loss (-) on sale of assets	-		-		-	
Prior period adjustments	-		-		-	
Other non-cash items	-62		-60		-62	
Increase (+) / Decrease (-) in stock	-		-		-	
Increase (+) / Decrease (-) in debtors	-		6,327		186	
Increase (-) / Decrease (+) in creditors	-		-		-380	
Use of provisions	162,913		160,111		150,879	
Total accruals to cash adjustments		-463,463		-121,515		-116,638
Excess cash to be CFERd		-		-		-
Net Cash Requirement		132,120		128,001		121,910

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		2004-05		2003-04	
	Provision		Provision		Outturn	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as AinA	-	-	-	-	1,396	<i>1,210</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	-	-	-	-	1,396	<i>1,210</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	23,359	22,544	21,775
Transfers in	7,434	15,893	7,000
Other income receivable	—	—	1,396
	30,793	38,437	30,171
Expenditure			
Increase in liability	98,458	95,893	83,741
Interest on scheme liability	195,856	192,000	183,520
Other expenditure	62	60	62
Change in discount rate	332,000	—	—
	626,376	287,953	267,323
Total net programme costs	595,583	249,516	237,152
Net Operating Cost	595,583	249,516	237,152
<i>of which:</i>			
Net Resource Outturn	595,583	249,516	238,548
<i>less</i>			
Prior period adjustments	—	—	—
<i>Plus</i>			
CFERs	—	—	-1,396
Non-voted	—	—	—
Resource Budget Outturn	263,583	249,516	237,152

Notes to the Main Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000		
	2005-06 Provision	2004-05 Provision	2003-04 Outturn
Net Resource Outturn (Estimates)	595,583	249,516	238,548
<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	—	—	-1,396
Other adjustments			
Net Operating Cost (Accounts)	595,583	249,516	237,152
<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	-332,000	—	—
<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)	263,583	249,516	237,152
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	62	60	62
Annually Managed Expenditure (AME)	263,521	249,456	237,090

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: Catherine Bell, Permanent Head of the Department of Trade and Industry

Catherine Bell, as the Principal Accounting Officer (PAO) of the Department of Trade and Industry has personal responsibility for the proper presentation of the UKAEA pension schemes' 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 United Kingdom Atomic Energy Authority's 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 UKAEA pension schemes' 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		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
RfR 1: Effective management of UKAEA pension schemes						
Income from UKAEA employees' contributions	23,314	—	22,500	—	21,700	—
Income from UKAEA employers' contributions	45	—	44	—	75	—
Income from transfers in	7,434	—	15,893	—	7,000	—
Total RfR 1	30,793*	—	38,437	—	28,775	—
<i>of which: Administration budgets</i>	—	—	—	—	—	—

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

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
Excess A in A Δ	—	—	—	—	1,396	1,210
Total	—	—	—	—	1,396	1,210

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 2005-06 of £595,583,000 is 138.7 per cent higher than the final provision and forecast outturn for 2004-05 of £249,516,000.

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

	2005-06 provision	2004-05 provision	2003-04 outturn
	30,793	38,437	28,775

Departmental Expenditure Limits and Administration Budgets

£'000

Details of 2005-06 Departmental Expenditure Limits (DEL) and Administration budget limits

	Voted*	Non-voted	Total
Resource DEL	62	—	62
<i>of which: Administration Budgets</i>	—	—	—
Capital DEL**	—	—	—
Less depreciation†	—	—	—
Total DEL	62	—	62

* Excludes EU receipts included in Estimates, but excluded in Budgets.

** Capital DEL includes items treated as resource in Estimates and Accounts, but which are treated as part of Capital DEL, under stage 2 of Resource Accounting and Budgeting, as implemented in the 2002 Spending Review.

† 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.