
Cabinet Office: Civil superannuation

Introduction

1. This Estimate covers the payment of pensions and other benefits to persons covered by the Principal Civil Service Pension Scheme (PCSPS) and certain other statutory schemes, including schemes for civil servants made under the Superannuation Act 1972.
2. Provision is also made for the payment of annual compensation arising from early retirement that was pre-funded by departments, agencies and other bodies covered by the Civil Service Compensation Scheme, in previous years, and received as extra receipts to the Consolidated Fund. The scheme for the central funding of early departures, announced in the White Paper: Continuity and Change (Cm 2627), ended on 31 March 1997. Provision for residual expenditure under that scheme is included.
3. PCSPS employers meet the cost of pension cover for their staff by payment of charges set on an accruals basis. These charges, along with scheme members' contributions, are appropriated in aid of this Estimate.
4. For the first time this Estimate also includes the Security Service and Secret Intelligence Service superannuation, previously included in the Security and Intelligence Agencies' Main Supply Estimate.
5. As a consequence of adopting Financial Reporting Standard ('FRS') 17 'Retirement Benefits', the resource accounts of the PCSPS include the liability to meet future pension costs on its balance sheet. The accounts show the accruing cost of providing pensions rather than just the benefits payable and contributions receivable. The most significant of these are the build-up of the benefit entitlements from employees' service during the year and the interest cost arising because future benefit payments are one year closer to payment. The payment of pensions and lump sums, previously the cash consequence of resource expenditure, are now the use of the balance sheet provision for pensions. Income from contributions continues to be appropriated in aid.
6. Symbols are explained in the Introduction to this booklet.

Part I

	£
Request for Resources 1: Civil superannuation	5,351,374,000
Total net resource requirement	5,351,374,000
Net cash requirement	1,330,332,000

Amounts required in the year ending 31 March 2005 for expenditure by the Cabinet Office on:

RfR 1: Civil superannuation

The superannuation of civil servants; pensions etc., and other pensions and non-recurrent payments; and for other related services

The **Cabinet Office** will account for this Estimate.

	Net total	Allocated in Vote on Account	Balance to complete
	£	£	£
RfR 1	5,351,374,000	2,142,921,000	3,208,453,000
Total net resource requirement	5,351,374,000	2,142,921,000	3,208,453,000
Net cash requirement	1,330,332,000	644,010,000	686,322,000

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: Civil superannuation									
-	7,442,538	14,142	7,456,680	2,105,306	5,351,374	-	-	5,225,312	7,054,181
Spending in Annually Managed Expenditure (AME)									
<i>Central Government spending</i>									
A Civil superannuation									
-	7,442,538	14,142	7,456,680	2,105,306	5,351,374	-	-	5,225,312	7,054,181
Total for Estimate:									
-	7,442,538	14,142	7,456,680	2,105,306	5,351,374	-	-	5,225,312	7,054,181

Part II: Resource to cash reconciliation

	£'000		
	2004-05 Provision	2003-04 Provision	2002-03 Outturn
Net Total Resources	5,351,374	5,225,312	7,054,181
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	-7,444,038	-7,293,162	-9,003,308
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-	-	-
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	2,728
Increase (-) / Decrease (+) in creditors	11,451	48,831	7,323
Use of provisions	3,411,545	3,429,152	3,055,824
Total accruals to cash adjustments	-4,021,042	-3,815,179	-5,937,433
Excess cash to be CFERd	-	-	-
Net Cash Requirement	1,330,332	1,410,133	1,116,748

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	-	-	-	-	2,476,967	1,828,933
Non-operating income not classified as AinA	-	-	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-	69	69
Excess cash receipts to be surrendered to the Consolidated Fund	-	-	-	-	-	-
Total	-	-	-	-	2,477,036	1,829,002

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)	5,351,374	5,225,312	7,054,181
<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	—	—	-2,476,967
Other adjustments	—	—	—
Net Operating Cost (Accounts)	5,351,374	5,225,312	4,577,214
<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)	5,351,374	5,225,312	4,577,214
<i>of which:</i>			
Departmental Expenditure Limits (DEL)	—	—	—
Annually Managed Expenditure (AME)	5,351,374	5,225,312	4,577,214

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 Colin Balmer as the Principal Accounting Officer with overall responsibility for preparing the Estimate for Civil Superannuation.

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 Pension Scheme's assets, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in *Government Accounting*.

Forecast Combined Revenue Account

for the year ended 31 March 2005

£'000

	2004-05 provision		2003-04 provision		2002-03 outturn	
Programme Costs						
Voted Expenditure						
Income						
PCSPS Contributions receivable	-1,925,000	—	-1,825,000	—	-1,749,439	—
PCSPS Transfers in	-123,000	—	-192,000	—	-2,645,320	—
PCSPS Other income receivable	-33,000	—	-48,000	—	-21,409	—
Other schemes	-24,306	—	-25,367	—	-24,054	—
	—	-2,105,306	—	-2,090,367	—	-4,440,222
Expenditure – charged to provisions						
PCSPS Pension costs	2,731,977	—	2,802,627	—	5,019,469	—
PCSPS Interest on scheme liability	4,637,759	—	4,415,270	—	3,910,913	—
CSCS Benefits payable	1,500	—	3,500	—	6,000	—
Other schemes	72,802	—	71,765	—	66,926	—
	—	7,444,038	—	7,293,162	—	9,033,308
Expenditure – not charged to provisions						
PCSPS	8,000	—	15,500	—	6,656	—
CSCS	3,642	—	6,017	—	6,090	—
Other schemes	1,000	—	1,000	—	15,581	—
		12,642		22,517		28,327
Net Programme Costs	—	5,351,374	—	5,225,312	—	4,591,413
Total Net Outgoings for the Year	—	5,351,374	—	5,225,312	—	4,591,413
<i>of which:</i>						
Net Resource Outturn		5,351,374	—	5,225,312	—	7,054,181
less Prior period adjustments	—	—	—	—	—	—
CFERs	—	—	—	—	—	-2,476,967
Resource Budget Outturn	—	5,351,374	—	5,225,312	—	4,577,214

Notes to the Main Estimate *(continued)*

Analysis of appropriations in aid (A in A)

	£'000					
	2004-05 provision		2003-04 provision		2002-03 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: Civil superannuation						
Cost of pension cover, contributions, transfer values and bulk transfer value receipts	2,105,306	—	2,090,367	—	1,963,255	—
Total RfR 1	2,105,306*	—	2,090,367	—	1,963,255	—

*Amount that may be applied as appropriations in aid in addition to the net total, arising from charges received from departments and others on account of the cost of pension cover provided for their staff; periodical contributions for widows', widowers' and dependants' benefits, other superannuation contributions and transfer values received and bulk transfer value receipts.

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
Civil superannuation						
Excess Appropriations in Aid	—	—	—	—	2,476,967	1,828,933
Other CFERs	—	—	—	—	69	69
Total	—	—	—	—	2,477,036	1,829,002

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 £5,351,374,000 which is 2.4 per cent higher than the final provision and forecast outturn for 2003-04 of £5,225,312,000.

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
	2,105,306	2,090,367	1,963,255