
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 Pension Scheme (JPS). Further details of the expenditure contained in this Estimate can be found in the Department for Constitutional Affairs' Departmental Report (Cm 6820)
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 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 pension 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. 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 (ASLC's)". These charges, along with scheme members' contributions, are appropriated in aid on this Estimate.
4. The Report of quinquennial actuarial valuation of the Scheme as at 31st March 2005 by the Government Actuary's Department recommended an ASLC rate of 30.75% (from 29.25%). This new rate is applied from 1st April 2006.
5. Symbols are explained in the Introduction to this booklet.

Part I

| | £ |
|--|-------------------|
| Request for Resources 1: Judicial Pensions Scheme | 36,660,000 |
| Total net resource requirement | 36,660,000 |
| Net cash requirement | 1,000 |

Amounts required in the year ending 31 March 2007 for expenditure by the Department for Constitutional Affairs: Judicial Pensions Scheme 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 | 36,660,000 | 15,334,000 | 21,326,000 |
| Total net resource requirement | 36,660,000 | 15,334,000 | 21,326,000 |
| Net cash requirement | 1,000 | - | 1,000 |

Part II: Subhead detail

| | | | | | | | | | | £'000 | |
|---|--------------------------|---------|-------------|--------|-----------|---------|--------------------------------|--------|------------------------|------------------------|--------------------|
| 2006-07 Provision | | | | | | | | | | 2005-06 Provision | 2004-05 Outturn |
| Resources | | | | | | | Capital Non- operating A | | Net Total Resources | Net Total Resources | |
| Admin | Other Current | Grants | Gross Total | A in A | Net Total | Capital | in A | | | | |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | | |
| RfR 1: Judicial Pensions Scheme | | | | | | | | | | | |
| - | - | 114,934 | 114,934 | 78,274 | 36,660 | - | - | 35,671 | 24,168 | | |
| Spending in Annually Managed Expenditure (AME) | | | | | | | | | | | |
| <i>Central Government spending</i> | | | | | | | | | | | |
| A | Judicial Pensions Scheme | | | | | | | | | | |
| - | - | 114,934 | 114,934 | 78,274 | 36,660 | - | - | 35,671 | 24,168 | | |
| Total for Estimate: | | | | | | | | | | | |
| - | - | 114,934 | 114,934 | 78,274 | 36,660 | - | - | 35,671 | 24,168 | | |

Part II: Resource to cash reconciliation

| | £'000 | | |
|---|----------------------|----------------------|--------------------|
| | 2006-07 Provision | 2005-06 Provision | 2004-05 Outturn |
| Net Resource Requirement | 36,660 | 35,671 | 24,168 |
| 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 | -114,934 | -108,636 | -92,282 |
| Profit/loss on sale of assets | - | - | - |
| Prior period adjustments | - | - | - |
| Other non-cash items | - | - | - |
| Increase (+) / Decrease (-) in stock | - | - | - |
| Increase (+) / Decrease (-) in debtors | - | - | - |
| Increase (-) / Decrease (+) in creditors | - | - | - |
| Use of provisions | 20,644 | 19,820 | 52,000 |
| Total accruals to cash adjustments | -94,290 | -88,816 | -40,282 |
| Excess cash to be CFERd | 57,631 | 53,146 | 49,919 |
| Net Cash Requirement | 1 | 1 | 33,805 |

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 | - | - | - | - | 2,231 | 4,462 |
| 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 | - | <i>57,631</i> | - | <i>53,146</i> | - | <i>49,919</i> |
| Total | - | <i>57,631</i> | - | <i>53,146</i> | 2,231 | <i>54,381</i> |

Forecast Combined Revenue Account

| | £'000 | | |
|----------------------------------|----------------------|----------------------|--------------------|
| | 2006-07 Provision | 2005-06 Provision | 2004-05 Outturn |
| Net Programme Costs | | | |
| RfR 1 | 36,660 | 165,671 | 21,937 |
| <i>of which:</i> | | | |
| Income | | | |
| Contributions received | 78,724 | 72,965 | 70,345 |
| Transfers in | - | - | - |
| Other income receivable | - | - | - |
| | 78,724 | 72,965 | 70,345 |
| Expenditure | | | |
| Increase in liability | 90,000 | 87,000 | 70,000 |
| Interest on scheme liability | 76,000 | 71,000 | 62,000 |
| Other expenditure | - | - | - |
| | 166,000 | 158,000 | 132,000 |
| Non-voted | 51,066 | 49,364 | 39,718 |
| Total Net Programme costs | 87,726 | 85,035 | 61,655 |
| Total Net Operating Cost | 87,726 | 85,035 | 61,655 |
| <i>of which:</i> | | | |
| Net Resource Requirement | 36,660 | 35,671 | 24,168 |
| Non-voted expenditure | 51,066 | 49,364 | 39,718 |
| Consolidated Fund Extra Receipts | - | - | -2,231 |
| Resource Budget | 87,726 | 85,035 | 61,655 |

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) | 36,660 | 35,671 | 24,168 |
| <i>Adjustments to remove:</i> | | | |
| Provision voted for earlier years | - | - | - |
| <i>Adjustments to additionally include:</i> | | | |
| Non-voted expenditure in the OCS | 51,066 | 49,364 | 39,718 |
| Consolidated Fund Extra Receipts in the OCS | - | - | -2,231 |
| Other adjustments | - | - | - |
| Net Operating Cost (Accounts) | 87,726 | 85,035 | 61,655 |
| <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) | 87,726 | 85,035 | 61,655 |
| <i>of which:</i> | | | |
| Departmental Expenditure Limits (DEL) | - | - | - |
| Annually Managed Expenditure (AME) | 87,726 | 85,035 | 61,655 |

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: Alex Allan, Permanent Head of Department

Alex Allan as the Accounting Officer of the Department for Constitutional Affairs: Judicial Pensions Scheme 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 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 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 Provision | 2005-06 Provision | 2004-05 Outturn |
| RfR 1: Judicial Pensions Scheme | | | |
| Programme | 78,274 | 72,965 | 68,114 |
| <i>of which:</i> | | | |
| Pension scheme related income | 78,274 | 72,965 | 70,345 |
| CFERs | - | - | -2,231 |
| Total RfR 1 | 78,274† | 72,965 | 68,114 |
| † Amount that may be applied as operating appropriations in aid in addition to the net total arising from: accruing superannuation liability charges (ASLCs); and Office Holders' pension contributions. | | | |
| Total Operating A in A | 78,274 | 72,965 | 68,114 |

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 |
| Operating Income Excess A in A Δ | - | - | - | - | 2,231 | 4,462 |
| Excess cash receipts Δ | - | 57,631 | - | 53,146 | - | 49,919 |
| Total | - | 57,631 | - | 53,146 | 2,231 | 54,381 |

Notes to the Main Estimate (*continued*)

Comparison of provision sought with final provision for the previous year

The total net resource sought for 2006-07 of £36,660,000 is 77.9 per cent lower than the final net provision for 2005-06 of £165,671,000.

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. | 78,274 | 72,965 | 68,114 |

