
Armed Forces Pension and Compensation Schemes

Introduction

1. This Estimate provides for the payment of pensions and lump sum benefits to persons covered by the Armed Forces Pension Scheme (AFPS 75), the rules for which are set out in the Royal Navy Orders in Council, the Army Pensions Warrant and the Queen's Regulations for the Royal Air Force. This Estimate also incorporates the two schemes: the Armed Forces Pension Scheme (AFPS 05) and Armed Forces Compensation Scheme (AFCS). The rules governing both these schemes are set out in the Armed Forces (Pensions and Compensation) Act, 2004.
2. The Ministry of Defence is responsible for administering the AFPS; the related staff and other costs are borne on the Ministry of Defence Estimate.
3. Further details of spending covered by this Estimate can be found in the Annual Reports and Accounts 2013.

Part I

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	Voted	Non-Voted	Total
Departmental Expenditure Limit			
Resource	-	-	-
Capital	-	-	-
Annually Managed Expenditure			
Resource	5,679,349,000	-	5,679,349,000
Capital	-	-	-
Total Net Budget			
Resource	5,679,349,000	-	5,679,349,000
Capital	-	-	-
Non-Budget Expenditure	-		
Net cash requirement	2,372,162,000		

Amounts required in the year ending 31 March 2014 for expenditure by the Armed Forces Pension and Compensation Schemes on:

Annually Managed Expenditure:Expenditure arising from:

Payment of pensions, lump sum benefits, transfers out and associated non-cash items to persons covered by the scheme. Provision is also made for:

- payment of those benefits outside the scheme: Short Service Gratuities, Resettlement Grants and Criminal injuries Compensation Overseas.

Income arising from:

MOD employer contributions (Superannuation Contributions Adjusted for Past Experience), Transfers In from other schemes and the purchases of added years.

Ministry of Defence will account for this Estimate.

			£
	Voted Total	Allocated in Vote on Account	Balance to complete or surrender
Departmental Expenditure Limit			
Resource	-	-	-
Capital	-	-	-
Annually Managed Expenditure			
Resource	5,679,349,000	2,383,604,000	3,295,745,000
Capital	-	-	-
Non-Budget Expenditure	-	-	-
Net cash requirement	2,372,162,000	946,580,000	1,425,582,000

Part II: Subhead detail

£'000

2013-14 Plans									2012-13 Provisions	
Resources						Capital			Resources	Capital
Administration			Programme							
Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	Net	Net
1	2	3	4	5	6	7	8	9	10	11
Spending in Annually Managed Expenditure (AME)										
Voted expenditure										
-	-	-	7,651,621	-1,972,272	5,679,349	-	-	-	5,666,897	-
<i>Of which:</i>										
A Retired pay, pensions and other payments to ex-service personnel										
-	-	-	7,651,621	-1,972,272	5,679,349	-	-	-	5,666,897	-
Total Spending in AME										
-	-	-	7,651,621	-1,972,272	5,679,349	-	-	-	5,666,897	-
Total for Estimate										
-	-	-	7,651,621	-1,972,272	5,679,349	-	-	-	5,666,897	-
<i>Of which:</i>										
Voted Expenditure										
-	-	-	7,651,621	-1,972,272	5,679,349	-	-	-	5,666,897	-
Non Voted Expenditure										
-	-	-	-	-	-	-	-	-	-	-

Part II: Resource to cash reconciliation

£'000

	2013-14 Plans	2012-13 Provisions	2011-12 Outturn
Net Resource Requirement	5,679,349	5,666,897	7,071,710
Net Capital Requirement	-	-	-
Accruals to cash adjustments	-3,307,187	-3,363,386	-5,254,972
<i>Of which:</i>			
<i>Adjustments to remove non-cash items:</i>			
Depreciation	-	-	-
New provisions and adjustments to previous provisions	-7,651,621	-7,690,099	-9,180,431
Departmental Unallocated Provision	-	-	-
Supported capital expenditure (revenue)	-	-	-
Prior Period Adjustments	-	-	-
Other non-cash items	-	-	-
<i>Adjustment for NDPBs:</i>			
Remove voted resource and capital	-	-	-
Add cash grant-in-aid	-	-	-
<i>Adjustments to reflect movements in working balances:</i>			
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-1,817	166,049	728
Increase (-) / Decrease (+) in creditors	-21,915	-79,853	-52,898
Use of provisions	4,368,166	4,240,517	3,977,629
Removal of non-voted budget items	-	-	-
<i>Of which:</i>			
Consolidated Fund Standing Services	-	-	-
Other adjustments	-	-	-
Net Cash Requirement	2,372,162	2,303,511	1,816,738

Part III: Note A - Forecast Combined Revenue Account & Reconciliation Table

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	2013-14 Plans	2012-13 Provisions	2011-12 Outturn
Gross Programme Costs	7,651,621	7,690,099	9,180,431
<i>Of which:</i>			
Increases in liability	2,789,455	2,567,430	3,555,110
Interest on scheme liability	4,862,166	5,122,669	5,625,321
Other expenditure	-	-	-
<i>Less:</i>			
Contributions received	-1,971,893	-2,020,771	-2,107,085
Transfers in	-379	-2,021	-1,636
Other income	-	-410	-
Net Programme Costs	5,679,349	5,666,897	7,071,710
Total Net Operating Costs	5,679,349	5,666,897	7,071,710
<i>Of which:</i>			
Resource DEL	-	-	-
Capital DEL	-	-	-
Resource AME	5,679,349	5,666,897	7,071,710
Capital AME	-	-	-
Non-budget	-	-	-
<i>Adjustments to include:</i>			
Departmental Unallocated Provision (resource)	-	-	-
Consolidated Fund Extra Receipts in the budget but not in the FCRA	-	-	-
<i>Adjustments to remove:</i>			
Capital in the FCRA	-	-	-
Grants to devolved administrations	-	-	-
Non-Budget Consolidated Fund Extra Receipts in the FCRA	-	-	-
Other adjustments	-	-	-
Total Resource Budget	5,679,349	5,666,897	7,071,710
<i>Of which:</i>			
Resource DEL	-	-	-
Resource AME	5,679,349	5,666,897	7,071,710
<i>Adjustments to include:</i>			
Grants to devolved administrations	-	-	-
Prior period adjustments	-	-	-
<i>Adjustments to remove:</i>			
Consolidated Fund Extra Receipts in the resource budget	-	-	-
Other adjustments	-	-	-
Total Resource (Estimate)	5,679,349	5,666,897	7,071,710

Part III: Note B - Analysis of Departmental Income

£'000

	2013-14 Plans	2012-13 Provision	2011-12 Outturn
Voted Resource AME	1,972,272	-2,023,202	-2,108,721
<i>Of which:</i>			
Programme			
Pensions	-1,972,272	-2,023,202	-2,108,721
<i>Of which:</i>			
A: Retired pay, pensions and other payments to ex-service personnel	-1,972,272	-2,023,202	-2,108,721
Total Programme	-1,972,272	-2,023,202	-2,108,721
Total Voted Resource Income	-1,972,272	-2,023,202	-2,108,721

Part III: Note C - Analysis of Consolidated Fund Extra Receipts

No CFER income or receipts are expected in 2013-14, 2012-13 or 2011-12.

Part III: Note D - Explanation of Accounting Officer responsibilities

The Accounting Officer prepares resource accounts for each financial year.

The following individuals are responsible for the expenditure within this Estimate:

Accounting Officer:	Jon Thompson
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Jon Thompson has personal responsibility for the proper presentation of the department's resource accounts and their transmission to the Comptroller & Auditor General, and is also responsible for the use of public money and stewardship of assets.

In discharging these responsibilities, particular regard is given to:

- observing any accounting and disclosure requirements (including any Accounts Direction) and applying suitable accounting policies on a consistent basis;
- making judgements and estimates on a reasonable basis;
- stating whether applicable accounting standards, as set out in the Financial Reporting Manual (FReM), or an organisation's version of it, have been followed, and explain any material departures in the accounts; and
- preparing the accounts on a going concern basis.

The responsibilities of an Accounting Officer, including responsibility for regularity and propriety of the public finances for which an Accounting Officer is answerable, for keeping proper records and safeguarding assets, are also set out in Chapter 3 of Managing Public Money.