

Teachers' Pension Scheme (England & Wales)

Introduction

1. This Supplementary Estimate is required for the following purposes:

		Amount (£)	
		<u>Increases</u>	<u>Reductions</u>
<u>Changes in resources</u>			
<u>Section</u>	<u>Reason for change</u>		
A3	<u>Changes in Annually Managed Expenditure (AME)</u> changes in forecasts and standard contribution rates used for the calculation of current service costs and its effect on interest charges.	182,052,000	
A5	Changes in forecast contributions received due to changes in estimated paybill.	7,465,000	
		<u>Total</u>	-
Total change in resources for RfR1		189,517,000	189,517,000
Total change in resources for Estimate			189,517,000

2. As a result of the above and non-cash adjustments, there is no change in the net cash requirement of £ 1,583,646,000.
3. Symbols are explained in the Introduction to this booklet.

Teachers' Pension Scheme (England & Wales)

Part I

	£
RfR 1: Teachers' Pensions	189,517,000
Total additional net resource requirement	189,517,000
Additional net cash requirement	-

SUPPLEMENTARY amounts required in the year ending 31 March 2008 for expenditure by the Teachers' Pension Scheme (England & Wales) on:

RfR 1: Teachers' Pensions

Superannuation allowances and gratuities, and other related expenditure, in respect of teachers and the widows, widowers, children and dependants of deceased teachers, and for premature retirement compensation payments made to members of the Teachers' Pension Scheme and on behalf of their employers; and associated non-cash items.

The **Department for Children, Schools and Families** will account for this Estimate.

Part II: Changes proposed

Resources	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	£'000
					New Net Provision
RfR 1: Teachers' Pensions					
Spending in Annually Managed Expenditure (AME)					
RfR 1 - A Pensions	10,516,919	182,052	-7,465	189,517	10,706,436
Total RfR 1		182,052	-7,465	189,517	

Capital and Cash	Present Provision	Change in Provision	£000
			New Provision
Total Capital Expenditure	-	-	-
Non-Operating A in A	-	-	-
Net cash requirement	1,583,646	-	1,583,646

Part II: Revised subhead detail including additional provision

Resources						Capital		£'000
1	2	3	4	5	6	7	8	
Admin	Other current	Grants	Gross Total	A in A	Net Total	Capital	Non-operating A in A	
RfR 1: Teachers' Pensions								
-	-	15,263,543	15,263,543	4,557,107	10,706,436	-	-	
Spending in Annually Managed Expenditure (AME)								
<i>Central government spending</i>								
<i>A Pensions</i>								
-	-	15,263,543	15,263,543	4,557,107	10,706,436	-	-	
Total for Estimate:								
-	-	15,263,543	15,263,543	4,557,107	10,706,436	-	-	

Part II: Resource to cash reconciliation

	Present	Increase (+)/ Decrease (-)	£'000 Revised
Net total Resources	10,516,919	189,517	10,706,436
Voted capital items			
Capital expenditure	-	-	-
<i>Less: non-operating A in A</i>	-	-	-
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	-15,075,070	-183,059	-15,258,129
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-	-	-
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	51,487	37,148	88,635
Increase(-)/decrease (+) in creditors	-26,223	4,202	-22,021
Use of provisions	6,116,533	-120,277	5,996,256
Total accruals to cash adjustments	-8,933,273	-261,986	-9,195,259
Excess cash to be CFERd	-	72,469	72,469
Net cash requirement	1,583,646	-	1,583,646

Part III: Extra receipts payable to the Consolidated Fund

In addition to Appropriations in aid, the following income and receipts relate to the department and is payable to the Consolidated Fund (cash receipts being shown in italics):

	Present provision		New provision	
	Income	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income not classified as A in A	144	<i>165</i>	132	<i>132</i>
Non-operating income not classified as A in A	-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund	-	-	-	-
Excess receipts to be surrendered to the Consolidated Fund	-	-	-	<i>72,469</i>
Total	144	<i>165</i>	132	<i>72,601</i>

Forecast Combined Revenue Account

	£'000
	2007-08 provision
Net Programme Costs	10,706,304
RfR 1	
<i>of which:</i>	
Income	
Contributions received	4,478,499
Transfers in	74,336
Other income receivable	4,404
Total Income	4,557,239
Expenditure	
Increase in liability	6,895,867
Interest on scheme liability	8,362,262
Other expenditure	5,414
Total Expenditure	15,263,543
Total Net Operating Cost	10,706,304
<i>of which:</i>	
Net Resource Requirement	10,706,436
Non-voted expenditure	-
CFERs	-132
Resource Budget	10,706,304

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2007-08 Provision
Net Resource Requirement (Estimates)	10,706,436
<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 (CFERS) in the OCS	-132
Other adjustments	-
Net Operating Costs (Accounts)	10,706,304
<i>Adjustments to remove:</i>	
gains/losses from sale of capital assets	-
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)	10,706,304
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	-
Annually Managed Expenditure (AME)	10,706,304

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2007-08 Provision
Net Voted Capital Outturn (Estimates)	-
<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 Outturn (Budget)	-
<i>of which:</i>	
Departmental Expenditure Limits (DEL)	-
Annually Managed Expenditure (AME)	-

Notes to the 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 appointments for the Requests for Resources within this Estimate.

Request for Resources 1 David Bell, Permanent Head of DCSF

David Bell, as the Accounting Officer (AO) of the Teachers' Pension Scheme has personal responsibility for the proper presentation of the Teachers' Pension Scheme'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, in addition to any responsibilities for an assigned RfR, remains in general overall charge of the Teachers' Pension Scheme.

The responsibilities of an Accounting Officer are set out in chapter 3 of Managing Public Money. 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 organisation's policies, aims, and objectives; and should regularly review the effectiveness of that system.

Notes to the Estimate *(continued)*

Analysis of operating appropriations in aid (A in A)

	£'000 2007-08 <u>Provision</u>
RfR 1: Teachers' Pensions	
Programme	4,557,107
<i>of which:</i>	
Pension scheme related income	4,557,239
CFERs	-132
Total RfR 1	4,557,107 †
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<i>† Amount that may be applied as appropriations in aid in addition to the net total, arising from: receipts from employers and employees superannuation contributions; transfer values received; deductions from returns of contributions towards payments in lieu of graduated national insurance contributions equivalent premiums (CEPs); recovery of contributions equivalent premiums from the state pension scheme; amounts received from employers of Teachers' scheme members in reimbursement of the cost of premature retirement compensation payments on their behalf by Capita.</i>	
Total Operating A in A	4,557,107

Notes to the Estimate (*continued*)

Analysis of Consolidated Fund extra receipts

		£'000	
		2007-08 provision	
		Income	<i>Receipts</i>
Over recovery of appropriations in aid	Δ	132	132
Excess cash surrendered	●	-	72,469
Total		132	72,601

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	4,557,107

Notes to the Estimate

Contingent Liabilities

Nature of Liability	£'000
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As at March 2007, the following liabilities fell to be met from the Estimate:

A very remote contingent liability to make Additional Voluntary Contributions related to pensions.
This would be in the unlikely event of default by the private insurance company.

Unquantifiable

