
Teachers' Pension Scheme (England & Wales)

Introduction

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

RfR 1: Teachers' Pensions

Increases:

AME forecast

Gross increase in RFR1 £111,108,000 due to an estimated increase in unwinding (£239,870,000), enhancements (£7,396,000) and past service costs offset by decreases in current service costs (£117,984,000), a decrease in liability for transfers (£16,279,000), and a decrease in other benefits payable not releasing provision (£3,503,000).	111,108,000
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Decreases in Appropriations in Aid £18,958,000 due to decreases in contributions received (£3,506,000) and transfer income (£16,279,000) and offsetting increases in other pension income (£827,000).	18,958,000
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Total change in resources for RfR1	130,066,000
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Total change in resources for Estimate	130,066,000
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2. As a result of the changes above and associated non-cash adjustments, there is no increase in the net cash requirement.
3. Symbols are explained in the Introduction to this booklet.

Part I

	£
RfR 1: Teachers' Pensions	130,066,000
Total additional net resource requirement	130,066,000
Additional net cash requirement	-

SUPPLEMENTARY amounts required in the year ending 31 March 2007 for expenditure by the Teachers Pension Scheme 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 Education and Skills** will account for this Estimate.

Part II: Changes proposed

Resources	£'000				
	Present Net Provision	Change in Gross Provision	Change in A in A	Change in Net Provision	New Net Provision
RfR 1: Teachers' Pensions					
Spending in Annually Managed Expenditure (AME)					
RfR 1 - A Pensions	8,446,510	111,108	-18,958	130,066	8,576,576
Total RfR 1		111,108	-18,958	130,066	

Capital and Cash	£000		
	Present Provision	Change in Provision	New Provision
Total Capital Expenditure	-	-	-
Non-Operating A in A	-	-	-
Net cash requirement	1,289,519	-	1,289,519

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								
-	-	12,747,248	12,747,248	4,170,672	8,576,576	-	-	
Spending in Annually Managed Expenditure (AME)								
<i>Central government spending</i>								
A Pensions								
-	-	12,747,248	12,747,248	4,170,672	8,576,576	-	-	
Total for Estimate:								
-	-	12,747,248	12,747,248	4,170,672	8,576,576	-	-	

Part II: Resource to cash reconciliation

	Present	Increase (+)/ Decrease (-)	£'000 Revised
Net total Resources	8,446,510	130,066	8,576,576
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	-12,632,748	-107,739	-12,740,487
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-	-	-
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	22,587	-3,719	18,868
Increase(-)/decrease (+) in creditors	-14,459	1,099	-13,360
Use of provisions	5,467,629	-47,325	5,420,304
Total accruals to cash adjustments	-7,156,991	-157,684	-7,314,675
Excess cash to be CFERd	-	27,618	27,618
Net cash requirement	1,289,519	-	1,289,519

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	165	<i>145</i>	139	<i>159</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>27,618</i>
Total	165	<i>145</i>	139	<i>27,777</i>

Forecast Combined Revenue Account

	£'000
	2006-07 provision
Income	
Contributions received	4,085,986
Transfers in	74,626
Other income receivable	10,199
Total Income	<u>4,170,811</u>
Expenditure	
Increase in liability	5,069,617
Interest on scheme liability	7,670,870
Other expenditure	6,761
Total Expenditure	<u>12,747,248</u>
Total Net Operating Cost	8,576,437
<i>of which:</i>	
Net Resource Outturn	8,576,576
CFERs	-139
Non-voted expenditure	-
Resource Budget Outturn	8,576,437

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2006-07 Provision
Net Resource Outturn (Estimates)	8,576,576
<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	-139
Other adjustments	-
Net Operating Costs (Accounts)	8,576,437
<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 Outturn (Budget)	8,576,437
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	-
Annually Managed Expenditure (AME)	8,576,437

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2006-07 Provision
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	-
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 Department

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 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 Department for Education and Skills' 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 2006-07 <u>Provision</u>
RfR 1: Teachers' Pensions	
Programme	4,170,672
<i>of which:</i>	
Pension scheme related income	4,170,811
CFERs	-139
Total RfR 1	4,170,672 †
<p>† 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; 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.</p>	
Total Operating A in A	4,170,672

Notes to the Estimate (*continued*)

Analysis of Consolidated Fund extra receipts

		£'000	
		2006-07 provision	
		Income	Receipts
Over recovery of appropriations in aid	Δ	139	159
Excess cash surrendered	Δ	-	27,618
Total		139	27,777

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	4,170,672