

Teachers' Pension Scheme (England & Wales)

Introduction

1. This Supplementary Estimate is required for the following purposes:
- | | Amount £ |
|--|--------------|
| RfR 1: Teachers' Pensions | |
| Increases: | |
| <u>AME Forecast</u> | |
| In line A for pension liability current service costs an increase of £309,206,000 | 309,206,000 |
| Decreases: | |
| <u>AME Forecast</u> | |
| 1 In section A a decrease of £18,161,000 for interest on pension liability (£110,110,000), other pension expenditure (£3,171,000), increase in pension contributions receivable (£69,234,000). | -182,515,000 |
| 2 In section B a decrease of £126,690,000 for a reduction in prior period adjustment on pension liability. | -126,690,000 |
| Total change in resources for RfR1 | 1,000 |
| Total change in resources for Estimate | 1,000 |
2. As a result of the above and associated non-cash adjustments, there is an increase in the net cash requirement of £1,000.
3. Symbols are explained in the Introduction to this booklet.

Part I

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

SUPPLEMENTARY amounts required in the year ending 31 March 2006 for expenditure by the Department for Education and Skills 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	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 and associated payments	7,912,013	195,925	-69,234	126,691	8,038,704
Non-budget					
RfR 1 - B Pensions and associated payments	14,310,159	-126,690	-	-126,690	14,183,469
Total RfR 1		69,235	-69,234	1	

	Present Provision	Change in Provision	£000 New Provision
Capital and Cash			
Total Capital Expenditure	-	-	-
Non-Operating A in A	-	-	-
Net cash requirement	1,174,536	1	1,174,537

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								
-	26,258,803	3,329	26,262,132	4,039,959	22,222,173	-	-	
Spending in Annually Managed Expenditure (AME)								
<i>Central government spending</i>								
A Pensions and associated payments								
-	12,075,334	3,329	12,078,663	4,039,959	8,038,704	-	-	
Non-budget								
B Pensions and associated payments								
-	14,183,469	-	14,183,469	-	14,183,469	-	-	
Total for Estimate:								
-	26,258,803	3,329	26,262,132	4,039,959	22,222,173	-	-	

Part II: Resource to cash reconciliation

	Present	Increase (+) Decrease (-)	£'000 Revised
Net total Resources	22,222,172	1	22,222,173
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	-26,186,397	-67,406	-26,253,803
Profit/loss on sale of assets	-	-	-
Prior period adjustments	-	-	-
Other non-cash items	-	-	-
Increase(+)/decrease (-) in stock	-	-	-
Increase(+)/decrease (-) in debtors	17,821	97,597	115,418
Increase(-)/decrease (+) in creditors	-14,557	-179	-14,736
Use of provisions	5,135,497	-30,012	5,105,485
Total accruals to cash adjustments	-21,047,636	-	-21,047,636
Excess cash to be CFERd	-	-	-
Net cash requirement	1,174,536	1	1,174,537

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	-	-	159	<i>140</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	-	-	-	-
Total	-	-	159	<i>140</i>

Forecast Combined Revenue Account

	£'000
	2005-06 provision
Income	
Contributions received	3,936,689
Transfers in	92,943
Other income receivable	10,327
CFERs	159
Total Income	4,040,118
Expenditure	
Increase in liability	5,007,747
Interest on scheme liability	7,059,311
Other expenditure	11,605
Total Expenditure	12,078,663
Total Net Operating Cost	8,038,545
<i>of which:</i>	
Net Resource Outturn	22,222,173
CFERs	-159
Non-voted expenditure	-
Resource Budget Outturn	8,038,545

Notes to the Estimate

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£'000
	2005-06 Provision
Net Resource Outturn (Estimates)	22,222,173
<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	-159
Other adjustments	-14,183,469
Net Operating Costs (Accounts)	8,038,545
<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)	8,038,545
<i>of which:</i>	
Departmental Expenditure Limit (DEL)	-
Annually Managed Expenditure (AME)	8,038,545

Reconciliation of capital expenditure between Estimates and Budgets

	£'000
	2005-06 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 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 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 Principal Accounting Officer (PAO) of the Department for Education and Skills has personal responsibility for the proper presentation of the Department of Education and Skills' resource accounts as prescribed in legislation or by the Treasury and their transmission to the Comptroller and Auditor General. The PAO, as permanent head, in addition to the responsibilities for the assigned RfR, remains in general overall charge of the Department for Education and Skills.

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 appropriations in aid (A in A)

	£'000	
	2005-06 Provision	
	Operating A in A	Non operating A in A
RfR 1: Teachers' Pensions		
Employees and employers contributions	4,039,959	-
Total RfR 1	4,039,959 *	-
<i>of which: Administration budgets</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 payment 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.

Notes to the Estimate (*continued*)

Analysis of Consolidated Fund extra receipts

		2005-06 provision	£'000
Interest on funds and fines for late contributions	Δ	159	140
Total		159	140

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	4,039,959