

# Teachers' Pension Scheme (England & Wales)

## Introduction

This Supplementary Estimate is required for the following purposes:

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Changes in budgets, non-budget voted provision and cash	Increases	Reductions	Total
Section A - Change in Current and Past Service costs due to reduction in income.		-109,334,000	
Section A - Net decrease due to changes in the Interest on Scheme Liability, Enhancements, Transfers in and Other Benefits payable.		-1,311,000	
Section A - Changes in forecast receipts due to lower contributions.	73,566,000		
<b>Total change in Resource AME (Voted)</b>	<b>73,566,000</b>	<b>-110,645,000</b>	<b>-37,079,000</b>
Revisions to the net cash requirement reflect the changes to resources as set out above and changes required in working capital for the payment of benefits.			
<b>Total change in Net cash requirement</b>			<b>164,453,000</b>

**Part I**

	Voted	Non-Voted	Total
<b>Departmental Expenditure Limit</b>			
Resource	-	-	-
Capital	-	-	-
<b>Annually Managed Expenditure</b>			
Resource	-37,079,000	-	-37,079,000
Capital	-	-	-
<b>Total Net Budget</b>			
Resource	-37,079,000	-	-37,079,000
Capital	-	-	-
<b>Non-Budget Expenditure</b>	-		
<b>Net cash requirement</b>	<b>164,453,000</b>		

Supplementary amounts required in the year ending 31 March 2012 for expenditure by Teachers' Pension Scheme (England & Wales) on:

**Annually Managed Expenditure:**Expenditure arising from:

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 and compensation payments made to members of the Teachers' Pension Scheme and on behalf of their employers; and associated non-cash items.

Income 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 teacher's scheme members in reimbursement of the cost of premature retirement compensation payments on their behalf by Capita.

**Teachers' Pension Scheme (England & Wales)** will account for this Estimate.

**Part II: Changes Proposed**

						<b>£'000</b>		
Present		Net Resources Changes		Revised		Present	Net Capital Changes	Revised
Admin	Prog	Admin	Prog	Admin	Prog	7	8	9
1	2	3	4	5	6			
<b>Spending in Annually Managed Expenditure (AME)</b>								
<b>Voted expenditure</b>								
-	11,769,859	-	-37,079	-	11,732,780	-	-	-
<i>Of which:</i>								
A Pensions and associated payments								
-	11,769,859	-	-37,079	-	11,732,780	-	-	-
<b>Total Spending in AME</b>								
		-	-37,079				-	
<b>Total for Estimate</b>								
		-	-37,079				-	
<i>Of which:</i>								
<b>Voted expenditure</b>								
		-	-37,079				-	
<b>Non-voted expenditure</b>								
		-	-				-	

**£'000**

	Present Plans	Changes	Revised Plans
<b>Net cash requirement</b>	<b>2,977,694</b>	<b>164,453</b>	<b>3,142,147</b>

**Part II: Revised subhead detail including additional provision****£'000**

<b>Revised Plans</b>								
<b>Resources</b>						<b>Capital</b>		
<b>Gross</b>	<b>Administration</b>							
<b>1</b>	<b>Income</b>	<b>Net</b>	<b>Gross</b>	<b>Programme</b>	<b>Net</b>	<b>Gross</b>	<b>Income</b>	<b>Net</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>
<b>Spending in Annually Managed Expenditure (AME)</b>								
<b>Voted expenditure</b>								
-	-	-	16,657,660	-4,924,880	11,732,780	-	-	-
<i>Of which:</i>								
A Pensions and associated payments								
-	-	-	16,657,660	-4,924,880	11,732,780	-	-	-
<b>Total Spending in AME</b>								
-	-	-	<b>16,657,660</b>	<b>-4,924,880</b>	<b>11,732,780</b>	-	-	-
<b>Total for Estimate</b>								
-	-	-	<b>16,657,660</b>	<b>-4,924,880</b>	<b>11,732,780</b>	-	-	-
<i>Of which:</i>								
<b>Voted expenditure</b>								
-	-	-	16,657,660	-4,924,880	11,732,780	-	-	-
<b>Non-voted expenditure</b>								
-	-	-	-	-	-	-	-	-

**Part II: Resource to cash reconciliation**

£'000

	Present Plans	Changes	Revised Plans
<b>Net Resource Requirement</b>	<b>11,769,859</b>	<b>-37,079</b>	<b>11,732,780</b>
<b>Net Capital Requirement</b>	-	-	-
<b>Accruals to cash adjustments</b>	<b>-8,792,165</b>	<b>201,532</b>	<b>-8,590,633</b>
<i>Of which:</i>			
<i>Adjustments to remove non-cash items:</i>			
Depreciation	-	-	-
New provisions and adjustments to previous provisions	-16,765,505	113,357	-16,652,148
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	-4,042	23,432	19,390
Increase (-) / Decrease (+) in creditors	-26,135	23,788	-2,347
Use of provisions	8,003,517	40,955	8,044,472
<b>Removal of non-voted budget items</b>	-	-	-
<i>Of which:</i>			
Consolidated Fund Standing Services	-	-	-
Other adjustments	-	-	-
<b>Net Cash Requirement</b>	<b>2,977,694</b>	<b>164,453</b>	<b>3,142,147</b>

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

	£'000
	Revised Plans
Gross Programme Costs	16,657,660
<i>Of which:</i>	
Increases in liability	5,907,094
Interest on scheme liability	10,745,054
Other expenditure	5,512
<i>Less:</i>	
Contributions received	-4,865,626
Transfers in	-56,460
Other income	-2,794
<b>Net Programme Costs</b>	<b>11,732,780</b>
<b>Total Net Operating Costs</b>	<b>11,732,780</b>
<i>Of which:</i>	
Resource DEL	-
Capital DEL	-
Resource AME	11,732,780
Capital AME	-
Non-budget	-
<i>Adjustments to include:</i>	
Departmental Unallocated Provision (resource)	-
Consolidated Fund Extra Receipts in the budget but not in the OCS	-
<i>Adjustments to remove:</i>	
Capital in the OCS	-
Non-Budget Consolidated Fund Extra Receipts in the OCS	-
Other adjustments	-
<b>Total Resource Budget</b>	<b>11,732,780</b>
<i>Of which:</i>	
Resource DEL	-
Resource AME	11,732,780
<i>Adjustments to remove:</i>	
Consolidated Fund Extra Receipts in the resource budget	-
Other adjustments	-
<b>Total Resource (Estimate)</b>	<b>11,732,780</b>

**Part III: Note B - Analysis of Departmental Income**

	<b>£'000</b>
	<b>Revised Plans</b>
<b>Voted Resource AME</b>	<b>-4,924,880</b>
<i>Of which:</i>	
Programme	
Pension scheme related income	-4,924,880
<i>Of which:</i>	
Section A: Pensions and associated payments	-4,924,880
<b>Total Voted Resource Income</b>	<b>-4,924,880</b>

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

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No CFER income or receipts are expected in 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:

<b>Accounting Officer</b>	Tom Jeffery
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Tom Jeffrey 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*.

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**Part III: Note K - Contingent Liabilities**

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Nature of liability	£'000
As in existing provision	

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