

Teachers' Pension Scheme (England & Wales)

Introduction

This Supplementary Estimate is required for the following purposes:

Changes in budgets, non-budget voted provision and cash	Increases	Reductions	Total
(Section A) Change in Current Service costs due to reduction in income and changes to tiered contribution rates.		-462,454,000	
(Section A) Decrease due to changes in the Interest on Scheme Liability, Enhancements, Transfers in and Other Benefits payable.		-63,434,000	
(Section A) Changes in forecast receipts due to lower contributions and tiered contributions.	116,742,000		
Total change in Resource AME (Voted)	116,742,000	-525,888,000	-409,146,000
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.		-245,000,000	
Total change in Net Cash Requirement		-245,000,000	-245,000,000

Part I

£

	Voted	Non-Voted	Total
Departmental Expenditure Limit			
Resource	-	-	-
Capital	-	-	-
Annually Managed Expenditure			
Resource	-409,146,000	-	-409,146,000
Capital	-	-	-
Total Net Budget			
Resource	-409,146,000	-	-409,146,000
Capital	-	-	-
Non-Budget Expenditure	-		
Net cash requirement	-245,000,000		

Supplementary amounts required in the year ending 31 March 2013 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

£'000

Present		Net Resources Changes		Revised		Present	Net Capital Changes	Revised
Admin 1	Prog 2	Admin 3	Prog 4	Admin 5	Prog 6	7	8	9
Spending in Annually Managed Expenditure (AME)								
Voted Expenditure								
-	10,987,085	-	-409,146	-	10,577,939	-	-	-
<i>Of which:</i>								
A Pensions and associated payments								
-	10,987,085	-	-409,146	-	10,577,939	-	-	-
Total Spending in AME								
		-	-409,146					-
Total for Estimate								
		-	-409,146					-
<i>Of which:</i>								
Voted Expenditure								
		-	-409,146					-
Non Voted Expenditure								
		-	-					-

£'000

	Present Plans	Changes	Revised Plans
Net Cash Requirement	3,683,453	-245,000	3,438,453

Part II: Revised subhead detail including additional provision

£'000

Revised Plans								
Resources						Capital		
Administration			Programme					
Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
1	2	3	4	5	6	7	8	9
Spending in Annually Managed Expenditure (AME)								
Voted expenditure								
-	-	-	15,708,002	-5,130,063	10,577,939	-	-	-
<i>Of which:</i>								
A Pensions and associated payments								
-	-	-	15,708,002	-5,130,063	10,577,939	-	-	-
Total Spending in AME								
-	-	-	15,708,002	-5,130,063	10,577,939	-	-	-
Total for Estimate								
-	-	-	15,708,002	-5,130,063	10,577,939	-	-	-
<i>Of which:</i>								
Voted Expenditure								
-	-	-	15,708,002	-5,130,063	10,577,939	-	-	-
Non Voted Expenditure								
-	-	-	-	-	-	-	-	-

Part II: Resource to cash reconciliation

£'000

	Present Plans	Changes	Revised Plans
Net Resource Requirement	10,987,085	-409,146	10,577,939
Net Capital Requirement	-	-	-
Accruals to cash adjustments	-7,303,632	164,146	-7,139,486
<i>Of which:</i>			
<i>Adjustments to remove non-cash items:</i>			
Depreciation	-	-	-
New provisions and adjustments to previous provisions	-16,231,086	525,859	-15,705,227
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	62,677	28,156	90,833
Increase (-) / Decrease (+) in creditors	-31,907	32,257	350
Use of provisions	8,896,684	-422,126	8,474,558
Removal of non-voted budget items	-	-	-
<i>Of which:</i>			
Consolidated Fund Standing Services	-	-	-
Other adjustments	-	-	-
Net Cash Requirement	3,683,453	-245,000	3,438,453

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

£'000

	Revised Plans
Gross Programme Costs	15,708,002
<i>Of which:</i>	
Increases in liability	6,035,150
Interest on scheme liability	9,670,077
Other expenditure	2,775
<i>Less:</i>	
Contributions received	-5,082,304
Transfers in	-46,350
Other income	-1,409
Net Programme Costs	10,577,939
Total Net Operating Costs	10,577,939
<i>Of which:</i>	
Resource DEL	-
Capital DEL	-
Resource AME	10,577,939
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	-
Non-Budget Consolidated Fund Extra Receipts in the FCRA	-
Other adjustments	-
Total Resource Budget	10,577,939
<i>Of which:</i>	
Resource DEL	-
Resource AME	10,577,939
<i>Adjustments to include:</i>	
Prior period adjustments	-
<i>Adjustments to remove:</i>	
Consolidated Fund Extra Receipts in the resource budget	-
Other adjustments	-
Total Resource (Estimate)	10,577,939

Part III: Note B - Analysis of Departmental Income

£'000

**Revised
Plans**

Voted Resource AME	-5,130,063
<i>Of which:</i>	
Programme	
Pensions	-5,130,063
<i>Of which:</i>	
Section A: Pensions and associated payments	-5,130,063
Total Programme	<u>-5,130,063</u>
Total Voted Resource Income	<u>-5,130,063</u>

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

No CFER income or receipts are expected in 2012-13.

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: Chris Wormald

Chris Wormald 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 (FRM), 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.

Part III: Note K - Contingent Liabilities

Nature of liability**£'000**

As in existing provision