

DYFED PENSION FUND COMMITTEE

27TH NOVEMBER 2017

BUDGET MONITORING 1ST APRIL 2017 – 31ST OCTOBER 2017

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

The Committee to receive the latest Dyfed Pension Fund Budget Monitoring report and consider the budgetary position.

REASONS:

To provide the Dyfed Pension Fund Committee with an update on the latest budgetary position as at 31st October 2017, in respect of 2017/2018.

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EXECUTIVE SUMMARY

DYFED PENSION FUND COMMITTEE

27TH NOVEMBER 2017

BUDGET MONITORING 1ST APRIL 2017 – 31ST OCTOBER 2017

BRIEF SUMMARY OF PURPOSE OF REPORT

The current position as at 31st October 2017 forecasts an underspend of £63.2m for 2017-2018. From this figure, £0.8m underspend relates to cash items that has the most impact on the daily cash flow of the Fund. The remaining £62.4m underspend relates to non-cash items.

Cash items

Based on current activity to date, we estimate Benefits Payable and Transfers out to be underspent by £3.9m. This is mainly influenced by the un-controllable nature of lump sum payments and transfers out of the Fund. Contributions and investment income contribute a further £3.8m underspend. This is due to additional investment income required to keep a positive cash flow to cover £6.9m payment to the Investment Managers to meet investment commitments. The £7.7m underspend less £6.9m payments to the Investment Managers results in £0.8m underspend estimate for the year.

Non-cash items

The £62.4m underspend is due to an increased value of realised gains. This occurred from the segregated passive equities transition which took place in April 2017 as part of the Wales Pension Partnership joint procurement. The non-cash items has no impact on the daily cash flow of the fund.

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| DETAILED REPORT ATTACHED? | YES |
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IMPLICATIONS

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|---|----------------------|-----------------------|---------------------------------------|--------------------------------------|
| Policy, Crime & Disorder and Equalities NONE | Legal NONE | Finance YES | Risk Management Issues NONE | Staffing Implications NONE |
| Policy, Crime & Disorder and Equalities - None | | | | |
| Legal - None | | | | |
| Finance - Overall, the Fund needs to maintain a positive cash flow balance to meet its obligations. The cash related £0.8m underspend is the significant figure to achieve this. | | | | |
| Risk Management Issues - None | | | | |
| Staffing Implications - None | | | | |

CONSULTATIONS

Details of any consultations undertaken are to be included here:-

None

Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:

THERE ARE NONE