

DYFED PENSION FUND COMMITTEE

DATE 14/03/2018

Budget Monitoring 1 April 2017 – 28 February 2018

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 28 February 2018, in respect of 2017/2018.

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BRIEF SUMMARY OF PURPOSE OF REPORT

The current position as at 28th February 2018 forecasts an underspend of £79.4m for 2017-2018. From this figure, £1.7m overspend relates to cash items that has the most impact on the daily cash flow of the Fund. This enables the Fund to maintain a cash neutral position by utilising income generated from investments to cover expenditure. The remaining £81.1m 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 £1.6m. 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 £4.7m 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 £5.2m underspend less £6.9m payments to the Investment Managers results in £1.7m overspend estimate for the year against budget. In cash terms, total expenditure is estimated at £88.1m, total income estimated at £88.2m resulting in a cash flow positive position of £0.1m.

Non-cash items

The £81.1m 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.

DETAILED REPORT ATTACHED?	YES
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IMPLICATIONS

Policy, Crime & Disorder and Equalities NONE	Legal NONE	Finance YES	Risk Management Issues NONE	Staffing Implications NONE
Finance - Overall, the Fund needs to maintain a positive cash flow balance to meet its obligations. The cash related £1.7m overspend is the significant figure to achieve this.				

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:

THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection/WEBSITE LINK