

DYFED PENSION FUND COMMITTEE

Date 02/03/2020

Dyfed Pension Fund Budget 2020-2021

To provide the Dyfed Pension Fund Committee with the Budget for 2020-2021

Recommendations / key decisions required:

The Committee to approve the budget for 2020-2021.

Reasons:

To provide the Dyfed Pension Fund Committee with the Budget for 2020-2021.

Relevant scrutiny committee to be consulted

NA

Exec Board Decision Required NA

Council Decision Required NA

Directorate: Corporate
Services

Chris Moore

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Designation: Director of
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EXECUTIVE SUMMARY
DYFED PENSION FUND COMMITTEE
DATE 02/03/2020

Dyfed Pension Fund Budget 2020-2021

The cash related expenditure budget for 2020-2021 is £96.2m and the cash related income budget for 2020-2021 is £96.2m. This results in a NET budget of £0. This provides the Fund with flexibility to utilise investment income based on cash flow requirements.

Expenditure:

Benefits payable is estimated at £85.1m which includes 1.7% pensions increase based on September 2019 CPI and 3% net effect for new pensioner members.

Management expenses is estimated at £8.5m. Of this total, £6.6m is budgeted for investment manager fees.

Income:

Contributions is estimated at £80.9m. Employer contributions £59.8m and Employees contributions £21.1m. The contribution rates used are based on the 2019 valuation. 2.75% was factored in for pay increases with a further 2% for pay increments in 2020-2021.

Investment income is estimated at £14m to maintain a cash neutral budget so that the fund is not holding onto surplus cash that can be invested.

The non-cash related budget is £50m. This is an estimate for the realised gains and losses for individual manager portfolio rebalances and sales and purchases within the property portfolios.

DETAILED REPORT ATTACHED ?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: **C Moore**

Director of Corporate Services

| Policy, Crime & Disorder and Equalities | Legal | Finance | ICT | Risk Management Issues | Staffing Implications | Physical Assets |
|---|-------------|------------|-------------|------------------------|-----------------------|-----------------|
| NONE | NONE | YES | NONE | NONE | NONE | NONE |

Finance

The report provides an initial view of the Budget for 2020-2021 with contribution rates for the major employers revised following the recent triennial valuation exercise. Overall, the Fund needs to maintain a neutral budget so that there is sufficient income to meet its obligations. An estimated £96.2m income budget is a significant figure to achieve this.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: C Moore

Director of Corporate Services

1. Scrutiny Committee

NA

2. Local Member(s)

NA

3. Community / Town Council

NA

4. Relevant Partners

NA

5. Staff Side Representatives and other Organisations

NA

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THERE ARE NONE

| Title of Document | File Ref No. | Locations that the papers are available for public inspection |
|-------------------|--------------|---|
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