

DYFED PENSION FUND COMMITTEE

Date 25/03/2021

Dyfed Pension Fund Budget 2021-2022

To provide the Dyfed Pension Fund Committee with the Budget for 2021-2022

Recommendations / key decisions required:

The Committee to approve the budget for 2021-2022.

Reasons:

To provide the Dyfed Pension Fund Committee with the Budget for 2021-2022.

Relevant scrutiny committee to be consulted	NA
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Exec. Board Decision Required	NA
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Council Decision Required NA

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- NA

Directorate: Corporate Services Name of Head of Service: Chris Moore Report Author: Chris Moore	Designations: Director of Corporate Services, Carmarthenshire County Council	Tel Nos. 01267 224120 E Mail Address: CMoore@carmarthenshire.gov.uk
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EXECUTIVE SUMMARY
DYFED PENSION FUND COMMITTEE
DATE 25/03/2021

DYFED PENSION FUND BUDGET 2021-2022

The cash related expenditure budget for 2021-2022 is £104.3m and the cash related income budget for 2021-2022 is £104.3m. This results in a net budget of zero. This provides the Fund with flexibility to utilise investment income based on cash flow requirements.

Expenditure:

Benefits payable is estimated at £92.4m which includes 0.5% pensions increase based on September 2020 CPI and 3% net effect for new pensioner members and deferred members.

Management expenses is estimated at £8.8m. Of this total, £6.9m is budgeted for investment manager fees.

Income:

Contributions is estimated at £89m. Employer contributions £67m and Employees contributions £22m. The contribution rates used are based on the 2019 valuation. 3% was factored in for increments/pay awards.

Investment income is estimated at £12.3m 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 2021-2022. Overall, the Fund needs to maintain a neutral budget so that there is sufficient income to meet its obligations. An estimated £104.3m 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

EXECUTIVE BOARD PORTFOLIO
HOLDER(S) AWARE/CONSULTED : 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