

DYFED PENSION FUND COMMITTEE
28/03/2023

DYFED PENSION FUND BUDGET 2023-2024

To provide the Dyfed Pension Fund Committee with the Budget for 2023-2024

Recommendations / key decisions required:

The Committee to approve the budget for 2023-2024.

Reasons:

To provide the Dyfed Pension Fund Committee with the Budget for 2023-2024.

Cabinet Decision Required N/A

Council Decision Required N/A

CABINET MEMBER PORTFOLIO HOLDER:- N/A

Directorate:
Corporate Services

Name of Director:
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

EXECUTIVE SUMMARY
DYFED PENSION FUND COMMITTEE
28/03/2023

Dyfed Pension Fund Budget 2023-2024

The expenditure budget for 2023-2024 is £122.8m and the income budget for 2023-2024 is £122.8m. 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 £108.9m which includes 10.1% pensions increase based on September 2022 CPI and 2.5% net effect for new pensioner members and deferred members. An increase in budget has also been allocated to lump sum retirement benefits and death benefits.

An increase in budget has been allocated to payments to and account of leavers. These payments relate to transfers out of the scheme and refunds.

Management expenses is estimated at £10.2m. Of this total, £7.95m is budgeted for investment manager fees.

Income:

Contributions is estimated at £95.1m. Employer contributions £69.5m and Employee contributions £25.6m. Contribution rates for the larger employers have been amended to reflect the results of the 2022 triennial valuation. An additional 5% was factored in for pay awards for the year.

Investment income is estimated at £24.2m 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.

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 2023-2024. Overall, the Fund needs to maintain a neutral budget so that there is sufficient income to meet its obligations. An estimated £122.8m 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

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| 1. Scrutiny Committee request for pre-determination | N/A |
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2. Local Member(s) N/A

3. Community / Town Council N/A

4. Relevant Partners N/A

5. Staff Side Representatives and other Organisations N/A

CABINET MEMBER PORTFOLIO HOLDER(S) AWARE/CONSULTED

N/A

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

THERE ARE NONE