

Dyfed Pension Fund

Budget

1st April 2021 - 31st March 2022

	Budget Type	Forecast outturn 2020-2021	Budget 2020-2021	Budget 2021-2022	Assumptions/Comments
	Controllable / Non Controllable	£ '000 (a)	£ '000 (b)	£ '000 (e)	
Expenditure					
Benefits Payable	Both	88,402	89,869	92,363	
Pensions Payable	Controllable	74,902	76,369	78,863	Budget based on January 2021 pensions payable plus an increase of 0.5% pensions increase (based on Sept 20 CPI), 3% pensioners and deferreds
Commutation and lump sum retirement benefits	Non Controllable	12,000	12,000	12,000	Budget based on 20-21 forecast outturn
Lump sum death benefits	Non Controllable	1,500	1,500	1,500	Budget based on 20-21 forecast outturn
Payments to and account of leavers	Non Controllable	2,934	2,620	3,120	Budget based on 20-21 forecast outturn plus refunds
Management Expenses		8,133	8,549	8,829	
Computer Software	Controllable	365	361	383	Budget based on 20-21 forecast outturn plus an increase for mortality screening software
Printing charges	Controllable	20	20	20	Budget based on 20-21 forecast outturn
Subscriptions, Legal fees, Conf Exps, Med Exps	Controllable	59	70	70	Budget based on 20-21 budget
Fund Managers					
BlackRock	Controllable	1,316	1,443	1,300	Budget based on 20-21 forecast outturn with estimated 5% market value increase. Estimate also includes a reduction due to equity restructure
Schroders	Controllable	693	882	580	Budget based on 20-21 forecast outturn with estimated 5% market value increase. Fees reduced from 1 January 2021
Wales Pension Partnership	Controllable	3,350	3,510	4,030	Increase due to full year effect of corporate bonds transitioned to WPP in August 2020 and equity restructure completed in 20-21
Partners Group	Controllable	903	806	950	Budget based on 20-21 forecast outturn with estimated 5% market value increase
Custodian					
Northern Trust	Controllable	31	31	31	Budget based on 20-21 forecast outturn
Actuary					
Mercer	Controllable	100	100	100	Budget based on 20-21 forecast outturn
Performance Manager					
Northern Trust / PIRC / CEM	Controllable	26	26	26	Budget based on 20-21 forecast outturn
Independent Advisor					
MJ Hudson	Controllable	30	30	30	Budget based on contract price including expenses
Other					
Euraplan, LSE, Pension Board	Controllable	44	23	27	Budget based on 20-21 forecast outturn excluding SAA Review and Transition Analysis. Increase also included for additional Pension Board costs.
Central recharges	Non Controllable	1,168	1,219	1,254	Based on 20-21 budget. Increased by inflation.
Audit fees	Controllable	28	28	28	Budget based on 20-21 forecast outturn
Controllable Expenditure		81,868	83,699	86,438	
Non Controllable Expenditure		17,602	17,339	17,874	
Total Expenditure		99,470	101,038	104,312	
Income					
Contributions					
Employer	Controllable	-64,446	-64,596	-66,893	Budget based on December 2020 contributions plus an increase of 3% for increments/pay awards.
Member	Controllable	-21,415	-21,148	-22,121	Budget based on December 2020 contributions plus an increase of 3% for increments/pay awards.
Investment Income	Controllable	-14,943	-13,794	-12,298	Investment income will be called upon as per cash flow requirements. £12.3 million cash required to breakeven.
Other Income	Controllable	0	0	0	Budget not required for 21-22. 3rd party administration invoices now raised against Pensions Administration budget within Carmarthenshire.
Transfers in from other pension funds	Non Controllable	-2,794	-1,500	-3,000	Budget increased based on 19-20 actual outturn and 20-21 forecast outturn.
Controllable Income		-100,804	-99,538	-101,312	
Non Controllable Income		-2,794	-1,500	-3,000	
Total Income		-103,598	-101,038	-104,312	
Controllable Total		-18,936	-15,839	-14,874	
Non Controllable Total		14,808	15,839	14,874	
Total		-4,128	0	0	Net budget Zero. Income can be managed to suit cashflow requirements.
Cash Transfer to Fund Managers	Cash	0	0	0	
Net Total of Cash Related Items		-4,128	0	0	
Indirect Transactional Management Fees	Non Cash	3,402	2,840	3,500	CIPFA Management cost guidance issued to show indirect transactional fees indirectly paid by the funds
Investment Income	Non Cash	-3,402	-2,840	-3,500	Contra entry to the Indirect transactional fees
Realised gain/loss	Non Cash	-175,000	-50,000	-50,000	Non Controllable. To cover portfolio rebalances. No impact to cash.
Net Total of Non-Cash Related Items		-175,000	-50,000	-50,000	