

Dyfed Pension Fund								
Budget								
1st April 2018 - 31st March 2019								
	Budget Type	Actual 2016-2017	Budget 2016-2017	Budget 2017-2018	Budget 2018-2019	Budget Variance		Assumptions/Comments
	Controllable / Non Controllable	£ '000 (a)	£ '000 (b)	£ '000 (b)	£ '000 (e)	£ '000 (f)	%	
Expenditure								
Benefits Payable	Both	71,900	72,182	72,201	76,699	4,498	6.2	Budget includes £4m for 3% pensions increase (based on CPI) and 2.5% net effect of new and deferred pensioners.
Pensions Payable	Controllable	57,025	57,682	59,201	63,199	3,998		
Commutation and lump sum retirement benefits	Non Controllable	13,041	13,000	11,500	12,000	500		Budget based on likely outturn for 17-18.
Lump sum death benefits	Non Controllable	1,834	1,500	1,500	1,500	0		Budget based on likely outturn for 17-18.
Payments to and account of leavers	Non Controllable	3,452	4,100	4,100	2,620	-1,480	-36.1	
Management Expenses		5,874	5,509	6,199	7,168	969	17.6	
Computer Software	Controllable	205	300	300	350	50		
Printing charges	Controllable	21	40	25	20	-5		Reduction in printing fees due to electronic access to statements.
Subscriptions, Legal fees, Conf Exps, Med Exps	Controllable	58	59	73	68	-5		Budget based on likely outturn for 17-18.
Fund Managers								
BlackRock	Controllable	1,427	1,360	1,360	1,520	160		Budget based on likely outturn for 17-18 with approximate 5% market value increase.
Baillie Gifford	Controllable	980	816	1,040	1,320	280		Budget based on likely outturn for 17-18 with approximate 5% market value increase.
Columbia Threadneedle	Controllable	860	730	900	1,000	100		Budget based on likely outturn for 17-18 with approximate 5% market value increase.
Schroders	Controllable	469	460	480	520	40		Budget based on likely outturn for 17-18 with approximate 5% market value increase.
Partners Group	Controllable	599	600	700	800	100		Budget based on likely outturn for 17-18 with approximate 5% market value increase.
Custodian								
Northern Trust	Controllable	50	44	56	30	-26		Budget based on likely outturn for 17-18.
Actuary								
Mercer	Controllable	90	108	68	70	2		Budget based on likely outturn for 17-18. Tender Imminent.
Performance Manager								
Northern Trust / PIRC / CEM	Controllable	4	17	20	26	6		New contracts in place for quarterly performance services, cost monitoring and LGPS universe benchmarking.
Independent Advisor								
E. Lambert	Controllable	19	19	19	20	1		
Other								
Euraplan, LSE, Pension Board	Controllable	19	26	19	23	4		
Wales Pension Partnership	Controllable	115	0	100	200	100		Additional budget required to cover operator fees, custodian fees, depository fees when the Global equities sub fund launches September 2018.
Central recharges	Non Controllable	929	901	1,010	1,172	162		Central Recharges has been revised for 18-19. Includes the new pensions administration structure.
Audit fees	Controllable	29	29	29	29	0		
Total Expenditure		81,226	81,791	82,500	86,487	3,987		
Income								
Contributions								
Employer	Controllable	-47,261	-46,403	-48,186	-50,515	-2,329	5.0	2018-19 budget based on December 17 contributions including 2% pay increase and amendments to contribution rates and past service deficit amounts as per valuation results.
Member	Controllable	-17,815	-17,546	-17,823	-18,640	-817	4.7	2018-19 budget based on December 17 contributions including 2% pay increase and amendments to contribution rates and past service deficit amounts as per valuation results.
Investment Income	Controllable	-18,595	-16,473	-16,166	-15,832	334	-2.0	Dividend income is now reinvested. Investment income will be called upon as per cash flow requirements. £15.8 million cash required to breakeven. £6m approximately from Schroders income and the balance to be called from BlackRock.
Other Income	Controllable	-58	-100	-60	0	60	-60.0	Budget not required for 18-19. 3rd party administration invoices now raised against Pensions Administration budget within Carmarthenshire.
Transfers in from other pension funds	Non Controllable	-1,889	-2,000	-2,000	-1,500	500	-25.0	Budget based on likely outturn for 17-18.
Total Income		-85,618	-82,522	-84,235	-86,487	-2,252		
Total		-4,392	-731	-1,735	0	1,735		Net budget Zero. Income can be managed to suit cashflow requirements.
Cash Transfer to Fund Managers	Cash	2,500	0	0	0	0		
Net Total of Cash Related Items		-1,892	-731	-1,735	0	1,735		
Indirect Transactional Management Fees	Non Cash	1,898	0	650	1,900	1,250		New CIPFA Management cost guidance issued to show indirect transactional fees idirectly paid by the funds
Investment Income	Non Cash	-12,866	-7,500	-8,150	-1,900	6,250	-83.3	Contra entry to the Indirect transactional fees
Realised gain/loss	Non Cash	-52,245	-50,000	-50,000	-50,000	0	0.0	Non Controllable. To cover portfolio rebalances. No impact to cash.
Net Total of Non-Cash Related Items		-63,213	-57,500	-57,500	-50,000	7,500		