

Dyfed Pension Fund

Budget Monitoring

1st April 2018 - 31st March 2019

	Budget Type	Actual 2017-2018	Budget 2018-2019	Actual income/ expenditure to date	Forecast Commitments	Forecast income/ expenditure at year end	End of year variance		Assumptions/Comments
	Controllable / Non Controllable	£ '000 (a)	£ '000 (b)	£ '000 (c)	£ '000 (d)	£ '000 (e)	£ '000 (f)	%	
Expenditure									
Benefits Payable	Both	75,457	76,699	57,757	19,200	76,957	258	0.3	Budget includes £4m for 3% pensions increase (based on CPI) and 2.5% net effect of new and deferred pensioners. - Forecast commitment based on Dec '18 actuals
Pensions Payable	Controllable	59,543	63,199	47,569	15,888	63,457	258		
Commutation and lump sum retirement benefits	Non Controllable	14,107	12,000	8,752	3,248	12,000	0		Budget based on likely outturn for 17-18. Forecast commitment based on budget.
Lump sum death benefits	Non Controllable	1,807	1,500	1,436	64	1,500	0		Budget based on likely outturn for 17-18. Forecast commitment based on budget.
Payments to and account of leavers	Non Controllable	2,304	2,620	2,387	233	2,620	0	0.0	Budget based on likely outturn for 17-18. Forecast commitment based on budget.
Management Expenses		6,356	7,168	5,640	1,491	7,131	-37	-0.5	
Computer Software	Controllable	269	350	334	16	350	0		Forecast commitment based on budgeted spend
Printing charges	Controllable	12	20	8	12	20	0		Forecast commitment based on budgeted spend
Subscriptions, Legal fees, Conf Exps, Med Exps	Controllable	58	68	38	29	68	0		Forecast commitment based on budgeted spend
Fund Managers									
BlackRock	Controllable	1,428	1,520	1,102	358	1,460	-60		Budget based on likely outturn for 17-18 with approximate 5% market value increase. Forecast commitment based on Dec 18 invoices.
Baillie Gifford	Controllable	1,203	1,320	977	330	1,307	-13		Budget based on likely outturn for 17-18 with approximate 5% market value increase. Forecast commitment based on Dec 18 invoices.
Columbia Threadneedle	Controllable	962	1,000	738	61	799	-201		Budget based on likely outturn for 17-18 with approximate 5% market value increase. Forecast commitment based on Jan 19 only.
Schroders	Controllable	492	520	480	175	655	135		Budget based on likely outturn for 17-18 with approximate 5% market value increase and add commitment of £125m.
Partners Group	Controllable	730	800	615	266	881	81		Budget based on likely outturn for 17-18 with approximate 5% market value increase. Forecast commitment based on Dec 18 invoices.
Custodian									
Northern Trust	Controllable	29	30	23	8	30	0		Budget based on likely outturn for 17-18.
Actuary									
Mercer	Controllable	68	70	43	27	70	0		Budget based on likely outturn for 17-18. Tender Imminent.
Performance Manager									
Northern Trust / PIRC / CEM	Controllable	6	26	1	25	26	0		New contracts in place for quarterly performance services, cost monitoring and LGPS universe benchmarking.
Independent Advisor									
E. Lambert	Controllable	31	20	15	5	20	0		
Other									
Euraplan, LSE, Pension Board	Controllable	41	23	24	21	45	22		
Wales Pension Partnership	Controllable	69	200	48	152	200	0		Additional budget required to cover operator fees, custodian fees, depository fees when the Global equities sub fund launches September 2018.
Central recharges	Non Controllable	930	1,172	1,172	0	1,172	0		Central Recharges has been revised for 18-19. Includes the new pensions administration structure.
Audit fees	Controllable	28	29	21	7	28	-1		
Controllable Expenditure		59,406	69,195	52,036	17,380	69,416	221		
Non Controllable Expenditure		19,408	17,292	13,747	3,545	17,292	0		
Total Expenditure		84,117	86,487	65,784	20,924	86,708	221		
				1	-1				
Income									
Contributions									
Employer	Controllable	-48,697	-50,515	-43,200	-8,393	-51,593	-1,078	2.1	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	-18,229	-18,640	-14,130	-4,762	-18,892	-252	1.4	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	-16,550	-15,832	-6,629	-7,461	-14,090	1,742	-11.0	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	-6	0	-31	-2	-33	-33	100.0	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	-1,699	-1,500	-3,686	-1,229	-4,915	-3,415	227.7	Budget based on likely outturn for 17-18. £4.5m received as at end of Jan 2019.
Controllable Income		-80,776	-84,987	-63,990	-20,618	-84,608	379		
Non Controllable Income		-1,986	-1,500	-3,686	-1,229	-4,915	-3,415		
Total Income		-85,181	-86,487	-67,676	-21,847	-89,523	-3,036		
Controllable Total		-21,370	-15,792	-11,954	-3,238	-15,192	600		
Non Controllable Total		17,422	15,792	10,061	2,316	12,377	-3,415		
Total		-1,064	0	-1,892	-923	-2,815	-2,815		Net budget Zero. Income can be managed to suit cashflow requirements.
Cash Transfer to Fund Managers	Cash	6,900	0	0	0	0	0		
Net Total of Cash Related Items		5,836	0	-1,892	-923	-2,815	-2,815		
Indirect Transactional Management Fees	Non Cash	4,866	1,900	0	1,900	1,900	0		New CIPFA Management cost guidance issued to show indirect transactional fees indirectly paid by the funds
Investment Income	Non Cash	-2,399	-1,900	0	-1,900	-1,900	0	0.0	Contra entry to the Indirect transactional fees
Realised gain/loss	Non Cash	-260,837	-50,000	-37,440	-12,560	-50,000	0	0.0	Non Controllable. To cover portfolio rebalances. No impact to cash.
Net Total of Non-Cash Related Items		-258,370	-50,000	-37,440	-12,560	-50,000	0		