

Dyfed Pension Fund

Budget

1st April 2019 - 31st March 2020

| | Budget Type | Forecast 2018-2019 | Budget 2018-2019 | Total 19-20 Budget | Forecast Commitments | Budget 2019-2020 | Budget variance | | Assumptions/Comments |
|--|---------------------------------|--------------------|------------------|--------------------|----------------------|------------------|-----------------|--------------|---|
| | Controllable / Non Controllable | £ '000 (a) | £ '000 (b) | £ '000 (c) | £ '000 (d) | £ '000 (e) | £ '000 (f) | % | |
| Expenditure | | | | | | | | | |
| Benefits Payable | Both | 76,957 | 76,699 | 79,521 | 0 | 79,521 | 2,822 | 3.7 | Budget includes £2.5m for 2.4% pensions increase (based on Sept 18 CPI) and 2% net effect of new and deferred pensioners. |
| Pensions Payable | Controllable | 63,457 | 63,199 | 66,021 | 0 | 66,021 | 2,822 | | |
| Commutation and lump sum retirement benefits | Non Controllable | 12,000 | 12,000 | 12,000 | 0 | 12,000 | 0 | | Budget based on likely outturn for 18-19. |
| Lump sum death benefits | Non Controllable | 1,500 | 1,500 | 1,500 | 0 | 1,500 | 0 | | Budget based on likely outturn for 18-19. |
| Payments to and account of leavers | Non Controllable | 2,620 | 2,620 | 2,620 | 0 | 2,620 | 0 | 0.0 | Budget based on likely outturn for 18-19. |
| Management Expenses | | 7,131 | 7,168 | 5,610 | 0 | 5,610 | -1,558 | -21.7 | |
| Computer Software | Controllable | 350 | 350 | 355 | 0 | 355 | 5 | | Budget based on likely outturn for 18-19. |
| Printing charges | Controllable | 20 | 20 | 20 | 0 | 20 | 0 | | Budget based on likely outturn for 18-19. |
| Subscriptions, Legal fees, Conf Exps, Med Exps | Controllable | 68 | 68 | 68 | 0 | 68 | 0 | | Budget based on likely outturn for 18-19. |
| Fund Managers | | | | | | | | | |
| BlackRock | Controllable | 1,460 | 1,520 | 1,265 | 0 | 1,265 | -255 | | Budget based on likely outturn for 18-19 with approximate 3% market value increase and a reduction due to pooling of corporate bonds. |
| Baillie Gifford | Controllable | 1,307 | 1,320 | 0 | 0 | 0 | -1,320 | | No budget as investments were pooled in the WPP in 18-19. |
| Columbia Threadneedle | Controllable | 799 | 1,000 | 0 | 0 | 0 | -1,000 | | No budget as investments were pooled in the WPP in 18-19. |
| Schroders | Controllable | 655 | 520 | 849 | 0 | 849 | 329 | | Budget based on likely outturn for 18-19 with approximate 3% market value increase and add commitment of £125m. |
| Partners Group | Controllable | 881 | 800 | 910 | 0 | 910 | 110 | | Budget based on likely outturn for 18-19 with approximate 3% market value increase and add commitment of £30m. |
| Custodian | | | | | | | | | |
| Northern Trust | Controllable | 30 | 30 | 30 | 0 | 30 | 0 | | Budget based on likely outturn for 18-19. |
| Actuary | | | | | | | | | |
| Mercer | Controllable | 70 | 70 | 70 | 0 | 70 | 0 | | Budget based on likely outturn for 18-19. Tender due 19-20. |
| Performance Manager | | | | | | | | | |
| Northern Trust / PIRC / CEM | Controllable | 26 | 26 | 26 | 0 | 26 | 0 | | New contracts in place for quarterly performance services, cost monitoring and LGPS universe benchmarking. |
| Independent Advisor | | | | | | | | | |
| E. Lambert | Controllable | 20 | 20 | 20 | 0 | 20 | 0 | | |
| Other | | | | | | | | | |
| Euraplan, LSE, Pension Board | Controllable | 45 | 23 | 23 | 0 | 23 | 0 | | |
| Wales Pension Partnership | Controllable | 200 | 200 | 750 | 0 | 750 | 550 | | Additional budget required to cover operator fees, custodian fees, depository fees when future sub funds are launched. |
| Central recharges | Non Controllable | 1,172 | 1,172 | 1,195 | 0 | 1,195 | 23 | | Increased by 2% inflation |
| Audit fees | Controllable | 28 | 29 | 29 | 0 | 29 | 0 | | |
| Controllable Expenditure | | 69,416 | 69,195 | 70,436 | 0 | 70,436 | 1,241 | | |
| Non Controllable Expenditure | | 17,292 | 17,292 | 17,315 | 0 | 17,315 | 23 | | |
| Total Expenditure | | 86,708 | 86,487 | 87,751 | 0 | 87,751 | 1,264 | | |
| Income | | | | | | | | | |
| Contributions | | | | | | | | | |
| Employer | Controllable | -51,593 | -50,515 | -52,755 | 0 | -52,755 | -2,240 | 4.4 | 2019-20 budget based on December 18 contributions including 2% pay increase and amendments to contribution rates and past service deficit amounts as per valuation results. |
| Member | Controllable | -18,892 | -18,640 | -19,363 | 0 | -19,363 | -723 | 3.9 | 2019-20 budget based on December 18 contributions including 2% pay increase and amendments to contribution rates and past service deficit amounts as per valuation results. |
| Investment Income | Controllable | -14,090 | -15,832 | -14,133 | 0 | -14,133 | 1,699 | -10.7 | Dividend income is now reinvested. Investment income will be called upon as per cash flow requirements. £14 million cash required to breakeven. |
| Other Income | Controllable | -33 | 0 | 0 | 0 | 0 | 0 | 100.0 | Budget not required for 19-20. 3rd party administration invoices now raised against Pensions Administration budget within Carmarthenshire. |
| Transfers in from other pension funds | Non Controllable | -4,915 | -1,500 | -1,500 | 0 | -1,500 | 0 | 0.0 | Budget based on 18-19 budget. |
| Controllable Income | | -84,608 | -84,987 | -86,251 | 0 | -86,251 | -1,264 | | |
| Non Controllable Income | | -4,915 | -1,500 | -1,500 | 0 | -1,500 | 0 | | |
| Total Income | | -89,523 | -86,487 | -87,751 | 0 | -87,751 | -1,264 | | |
| Controllable Total | | -15,192 | -15,792 | -15,815 | 0 | -15,815 | -23 | | |
| Non Controllable Total | | 12,377 | 15,792 | 15,815 | 0 | 15,815 | 23 | | |
| Total | | -2,815 | 0 | 0 | 0 | 0 | 0 | | Net budget Zero. Income can be managed to suit cashflow requirements. |
| Cash Transfer to Fund Managers | Cash | 0 | 0 | 0 | 0 | 0 | 0 | | |
| Net Total of Cash Related Items | | -2,815 | 0 | 0 | 0 | 0 | 0 | | |
| Indirect Transactional Management Fees | Non Cash | 1,900 | 1,900 | 1,900 | 0 | 1,900 | 0 | | New CIPFA Management cost guidance issued to show indirect transactional fees indirectly paid by the funds |
| Investment Income | Non Cash | -1,900 | -1,900 | -1,900 | 0 | -1,900 | 0 | 0.0 | Contra entry to the Indirect transactional fees |
| Realised gain/loss | Non Cash | -50,000 | -50,000 | -50,000 | 0 | -50,000 | 0 | 0.0 | Non Controllable. To cover portfolio rebalances. No impact to cash. |
| Net Total of Non-Cash Related Items | | -50,000 | -50,000 | -50,000 | 0 | -50,000 | 0 | | |