

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)	%
<b>Expenditure</b>								
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	
<b>Income</b>								
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 idirectly 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	