

Business Plan 2017/8 to 2019/20 – Q1 Update

Governance

Budget

All the costs associated with the management of the Fund are a charge to the Fund and not to the Council. Actual 2017/18 figures are to end of Quarter 1 (2017).

Cashflows projections for 2017/18

	2015/16 £000s	2016/17 £000s	2017/18 £000s			
	Actual	Actual	Budget	Actual	Projected for full year	Final under/over
Opening Cash	(43,735)	(13,640)	(13,623)	(13,623)		
Payments						
Pensions	52,932	54,684	55,860	14,005	56,500	640
Lump Sums & Death Grants	14,906	14,857	15,000	3,193	14,443	(557)
Transfers Out	5,889	5,473	3,200	2,396	4,796	1,596
Expenses	4,881	3,001	3,400	1,008	3,558	158
Support Services	167	300	120	0	120	0
Total Payments	78,775	78,315	77,580	20,602	79,417	1,837
Income						
Employer Contributions	(30,506)	(32,787)	(34,100)	(14,873)	(35,473)	(1,373)
Employee Contributions	(14,535)	(13,779)	(14,000)	(2,926)	(13,426)	574
Employer Deficit Payments	(27,872)	(28,474)	(51,784)	(51,508)	(52,192)	(408)
Transfers In	(1,791)	(2,540)	(2,000)	(1,853)	(3,353)	(1,353)
Pension Strain	(3,204)	(2,282)	(1,200)	(7)	(907)	293
Income	(74)	(146)	(100)	(4)	(79)	21
Total Income	(77,982)	(80,008)	(103,184)	(71,171)	(105,430)	(2,246)
Cashflow Net of Investment Income	793	(1,693)	(25,604)	(50,569)	(26,013)	(409)
Investment Income	(2,497)	(3,019)	(3,000)	(979)	(3,229)	(229)
Investment Expenses		2,991	3,000	477	2,727	(273)
Total Net of In House Investments	(1,704)	(1,721)	(25,604)	(51,071)	(26,515)	(911)
In House Investments						
Draw downs	34,021	45,146	47,008	17,919	64,101	17,093
Distributions	(64,836)	(56,614)	(77,834)	(9,665)	(63,722)	14,112
Net Expenditure /(Income)	(30,815)	(11,468)	(30,826)	8,254	379	31,205
Total Net Cash Flow	(32,519)	(13,189)	(56,430)	(42,817)	(26,136)	30,294
Rebalancing Portfolio	62,614	13,206	40,000	(266)	40,000	0
Total Cash Flow	30,095	17	(16,430)	(43,083)	13,864	
Closing Cash	(13,640)	(13,623)	(30,053)	(56,706)	241	

Operating Costs

	2015/16	2016/17	2017/18			
	Actual	Actual	Budget	Actual	Projected for full year	Projected under/over
	£000s	£000s	£000s	£000s	£000s	£000s
Governance Expenses						
Employee Costs (Direct)	225	236	238	60	238	0
Support & Services Costs (Internal Recharges)	12	17	8	0	8	0
Premises	8	5	7	0	7	0
IT (Support & Services)	11	4	9	0	9	0
Other Supplies & Services)	54	58	50	0	50	0
Miscellaneous Income	0	(11)	0	0	0	0
Audit Fees	39	39	40	(16)	40	0
Actuarial Fees	222	335	202	0	202	0
Consultant Fees	371	703	399	90	399	0
Advisor Fees	225	188	187	11	187	0
Legal Fees	35	59	40	1	40	0
Pooling (Additional Costs)				6	6	6
Total Governance Expenses	1,202	1,633	1,180	152	1,186	6
Investment Management Expenses						
Fund Manager Fees*	14,971	14,386	11,878	109	14,386	2,508
Custody Fees	28	31	34	2	34	0
Performance Monitoring Fees	30	57	58	14	58	0
Pooling (Additional Costs)				0	n/k	n/k
Total Investment Management Expenses	15,029	14,474	11,970	125	14,478	2,508
Administration Expenses						
Employee Costs (Direct)	603	648	776	159	768	0
Support & Services Costs (Internal Recharges)	46	94	42	0	42	0
Outsourcing	404	260	900	25	900	0
Premises	33	6	33	0	33	0
IT (Support & Services)	243	290	250	244	250	0
Member Self Service	0	0	75	37	75	0
Other Supplies & Services)	61	70	70	0	70	0
Miscellaneous Income	0	0	0	0	0	0
Total Administration Expenses	1,390	1,368	2,146	465	2,138	0
Employer Liaison Team						
Employee Costs (Direct)			144	32	144	0
Total Costs	17,621	17,475	15,440	774	17,946	2,514

Key Tasks

Key:

	Complete
	On target or ahead of schedule
	Commenced but behind schedule
	Not commenced
xN	Item added since original business plan
xM	Period moved since original business plan due to change of plan /circumstances
x	Original item where the period has been moved or task deleted since original business plan

Governance Tasks

Ref	Key Action –Task	2017/18 Period				Later Years	
		Q1	Q2	Q3	Q4	2017/18	2018/19
G1	Induction and refresher training for PFC	x	x				

Governance Task Descriptions

G1 – Induction Training for PC

What is it?

The Fund's Training Policy details how the Fund will ensure that training is delivered, and how the required training is identified for each member of both the Clwyd Pension Committee and the Pension Board. Ongoing training to meet the requirements of this policy will take place. Although there is expected change at a minimal level with the PFC, Pension Board and officers, the Council elections in May 2017 could result in significant changes to membership, in which case intensive induction training will be required.

Timescales and Stages

Source and ensure delivery of induction training

2017/18 Q1/2

Resource and Budget Implications

Training requirements to be determined by Pension Fund Manager with assistance from the Independent Adviser. Other advisers and external sources may be used for delivering training. There will be external adviser costs associated with this exercise which are incorporated into the 2017/18 budget.