

NORTH YORKSHIRE COUNTY COUNCIL

PENSION FUND COMMITTEE

18 SEPTEMBER 2014

BUDGET / STATISTICS

Report of the Treasurer

1.0 PURPOSE OF THE REPORT

1.1 To report on the following:

- (a) the expenditure/income position to date for 2014/15 (see section 2)
- (b) the cash deployment of the Fund (see section 3)

2.0 2014/15 FORECAST

- 2.1 The Cash surplus for the quarter to 30 June 2014 (£17.8m) exceeded budget (£16.9m) by £0.9m.
- 2.2 Pensions Payroll Expenditure of £17.6m marginally exceeded budget (£17.5m) by £0.1m while Retirement Grant and Refund payments of £6.2m were less than expected by £1.3m. Short term variances are to be expected. The forecasts for the year remain unchanged.
- 2.3 Contributions Income of £41.6m represents a £0.5m positive variance to budget.
- 2.4 It should be noted that the profile for contributions income differs considerably to previous years. 10 employers agreed with the Fund to pay their 2014/15 deficit requirements in single instalments in April 2014. To remind Members, this arrangement means that funds are invested for longer and in return employers' deficit contribution requirements for 2014/15 are net of a 2% discount. This has resulted in an additional £13.4m of employer contribution receipts during the 3 months to June 2014.
- 2.5 Transfer Income for the period was £0.4m less than forecast at £1.4m, while Transfer Expenditure was £0.5 over budget at £1.5m.

3.0 CASH DEPLOYMENT IN 2014-15

- 3.1 The cash generated in the year by the annual surplus, together with the opening balance and interest earned has been distributed in 2014/15 as follows:

	£m	
Cash Balance Brought Forward from 2013/14	4.8	
Surplus to 30 June 2014 (as per Appendix 1)	17.9	
Cash Available as at 30 June 2014	22.7	(a)
Rebalancing		
May 2014 (transfer from Cash to LGIM)	-20.0	
June 2014 (£21m transfer from Fidelity to Newton)	-	
June 2014 (£63m transfer from Standard Life to M&G)	-	
Total Rebalancing	-20.0	(b)
Accrual for June Contribution Income	6.8	(c)
Available for Rebalancing of the Fund	9.5	(d) = (a+b+c)

- 3.2 A cash shortfall is expected in each of the remaining three quarters. This will be met by the funds available for rebalancing in the table above, supplemented by income from investments if required.

4.0 RECOMMENDATIONS

- 4.1 Members to note the contents of this report.

GARY FIELDING
Treasurer
Central Services
County Hall
Northallerton

04 Sept 2014

North Yorkshire Pension Fund Income and Expenditure as at 30 June 2014

	Budget 2014/15	Profiled Budget to 30 June	Actual Income / Expenditure to 30 June	Variance ie (iii-ii)	Forecast 2014/15
	£000 (i)	£000 (ii)	£000 (iii)	£000 (iv)	£000 (v)
EXPENDITURE					
Benefits					
Pensions	70,000	17,500	17,601	101	70,000
Retirement Grants (including refunds)	26,000	7,500	6,186	-1,314	26,000
sub total (a)	96,000	25,000	23,787	-1,213	96,000
Admin Expenses					
Finance and Central Services	1,100	275	275	0	1,100
Other Services (Including Actuarial)	210	53	46	-7	210
Other Admin Expenses	200	50	36	-14	200
sub total (b)	1,510	378	357	-21	1,510
Investment Expenses					
Investment Management Fees (Base)	3,150	788	783	-5	3,150
Performance Related	1,000	150	150	0	1,000
Custodian Fees	150	38	34	-4	150
Other Investment Expenses	260	65	50	-15	260
sub total (c)	4,560	1,040	1,017	-23	4,560
Total Expenditure	102,070	26,418	25,161	-1,257	102,070
INCOME					
Contributions					
Employer and Employee Contributions	105,000	41,112	41,638	526	105,000
Early Retirement Costs Recharged	3,000	1,500	1,574	74	3,000
sub total (e)	108,000	42,612	43,212	600	108,000
Transfers					
Transfers IN (per individuals)	7,000	1,750	1,362	-388	7,000
Transfers OUT (per individuals)	-4,000	-1,000	-1,546	-546	-4,000
sub total (f)	3,000	750	-184	-934	3,000
Total Income	111,000	43,362	43,028	-334	111,000
Net Surplus	8,930	16,944	17,867	923	8,930