

NORTH YORKSHIRE COUNTY COUNCIL

PENSION FUND COMMITTEE

17 SEPTEMBER 2015

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 2015/16 (see section 2)
- (b) the cash deployment of the Fund (see section 3)

2.0 2015/16 FORECAST

- 2.1 The Cash surplus for the quarter to 30 June 2015 (£14.2m) was slightly lower than forecast (£14.4m), by £0.2m.
- 2.2 Pensions Payroll Expenditure of £18.4m and Retirement Grant payments of £8.2m were higher than forecast by £0.1m.
- 2.3 Contributions Income of £41.1m represents a £0.5m negative variance to budget.
- 2.4 The profile for contributions income has been adjusted for the pre-payment of deficit contributions. 10 employers agreed with the Fund to pay their 2015/16 deficit contributions in single installments in April 2015. To remind Members, this arrangement means that funds are invested for longer and in return employers' deficit contribution requirements for 2015/16 are net of a 2% discount. This has resulted in an additional £18.5m of employer contribution receipts during the 3 months to June 2015.
- 2.5 Transfer Income for the period was £0.2m less than forecast at £1.6m, while Transfer Expenditure was £0.5m less than budget at £0.7m. Short term variances are to be expected. The forecasts for the year remain unchanged.

3.0 CASH DEPLOYMENT IN 2015-16

- 3.1 The cash generated in the year by the annual surplus, together with the opening balance has been utilised in 2015/16 as follows:

	£m	
Cash Balance Brought Forward from 2014/15	17.8	
Surplus to 30 June 2015 (as per Appendix 1)	14.2	
Cash Available as at 30 June 2015	32.0	(a)
Rebalancing		
April 2015 (transfer from Standard Life)	67.0	
April 2015 (transfer from Fidelity)	168.0	
April 2015 (transfer to Dodge and Cox)	-117.5	
April 2015 (transfer to Veritas)	-117.5	
May 2015 (transfer to Standard Life GARS)	-20.0	
May 2015 (transfer to Threadneedle)	-8.5	
Total Rebalancing	-28.5	(b)
Accrual for June 2015 Contribution Income	7.8	(c)
Available for Rebalancing of the Fund	11.3	(d) = (a+b+c)

3.2 Post June 2015 rebalancing activity is described in **section 7** of the **Performance of the Portfolio** report.

4.0 **RECOMMENDATIONS**

4.1 Members to note the contents of the report.

GARY FIELDING
Treasurer
Central Services
County Hall
Northallerton

09 September 2015

	Budget 2015/16 £000 (i)	Profiled Budget to 30 June £000 (ii)	Actual Income / Expenditure to 30 June £000 (iii)	Variance ie (iii-ii) £000 (iv)	Forecast 2015/16 £000 (v)
EXPENDITURE					
Benefits					
Pensions	74,000	18,500	18,400	-100	74,000
Lump Sums (including refunds)	26,000	8,000	8,200	200	26,000
sub total (a)	100,000	26,500	26,600	100	100,000
Admin Expenses					
Finance and Central Services	1,100	275	275	0	1,100
Other Services	210	50	70	20	210
Other Admin Expenses	200	100	100	0	200
sub total (b)	1,510	425	445	20	1,510
Investment Expenses					
Investment Management Fees (Base)	3,150	790	750	-40	3,150
Performance Related	700	150	150	0	700
Custodian Fees	150	38	34	-4	150
Other Investment Expenses	260	65	50	-15	260
sub total (c)	4,260	1,043	984	-59	4,260
Total Expenditure (d)	105,770	27,968	28,029	62	105,770
INCOME					
Contributions					
Employer and Employee Contributions	108,000	41,000	40,500	-500	108,000
Early Retirement Costs Recharged	2,500	620	600	-20	2,500
sub total (e)	110,500	41,620	41,100	-520	110,500
Transfers					
Transfers IN (per individuals)	7,000	1,750	1,590	-160	7,000
Transfers OUT (per individuals)	-5,000	-1,250	-740	510	-5,000
sub total (f)	2,000	500	850	350	2,000
Other Income					
Other Investment Income	1,000	250	240	-10	1,000
sub total (g)	1,000	250	240	-10	1,000
Total Income (h)	113,500	42,370	42,190	-180	113,500
Net Surplus (i)	7,730	14,403	14,161	-242	7,730