

NORTH YORKSHIRE COUNTY COUNCIL

PENSION FUND COMMITTEE

15 SEPTEMBER 2016

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 2016/17 (see section 2)
- (b) the cash deployment of the Fund (see section 3)

2.0 2016/17 FORECAST

- 2.1 The Cash surplus for the quarter to 30 June 2016 (£14.4m) was higher than forecast (£13.2m), by £1.2m.
- 2.2 Pensions Payroll Expenditure of £18.6m and Retirement Grant payments of £7.8m were lower than forecast by £0.35m.
- 2.3 Contributions Income of £40.8m represents a £1.2m positive variance to budget.
- 2.4 The profile for contributions income has been adjusted for the pre-payment of deficit contributions. 7 employers agreed with the Fund to pay their 2016/17 deficit contributions as a single payment in April 2016. To remind Members, this arrangement means that funds are invested for longer and in return employers' deficit contribution requirements for 2016/17 are net of a 2% discount. This has resulted in an additional £16.1m of employer contribution receipts during the 3 months to June 2016.
- 2.5 Transfer Income for the period was £0.9m less than forecast at £0.9m, while Transfer Expenditure was £0.5m less than budget at £0.5m. Short term variances are to be expected. The forecasts for the year remain unchanged.

3.0 CASH DEPLOYMENT IN 2016-17

- 3.1 The cash generated in the year by the annual surplus, together with the opening balance has been utilised in 2016/17 as follows:

	£m	
Cash Balance Brought Forward from 2015/16	3.8	
Surplus to 30 June 2016 (as per Appendix 1)	14.4	
Cash Available as at 30 June 2016	18.2	(a)
Rebalancing		
May 2016 (transfer to Threadneedle)	-10.0	
June 2016 (transfer to Threadneedle)	-30.0	
June 2016 (transfer to Threadneedle)	-25.0	
June 2016 (transfer from Standard Life)	25.0	
Total Rebalancing	-40.0	(b)
Accruals for June 2016	7.9	(c)
Available for Rebalancing of the Fund	-13.9	(d) = (a+b+c)

- 3.2 At the end of June 2016 the Fund held a negative cash balance as a result of an opportunity to add to the property investment with Threadneedle in the quarter. During the September quarter this will need to be addressed through a disinvestment from another manager of the Fund. Officers will discuss the most suitable approach with the Investment Consultant. Further details can be found in Section 7 of the Performance of the Fund report.

4.0 RECOMMENDATIONS

- 4.1 Members to note the contents of the report.

GARY FIELDING
Treasurer
Central Services
County Hall
Northallerton

6 September 2016

North Yorkshire Pension Fund Income and Expenditure as at 30 June 2016

Appendix 1

		Budget 2016/17	Profiled Budget to 30 June	Actual Income / Expenditure to 30 June	Variance ie (iii-ii)	Forecast 2016/17
		£000	£000	£000	£000	£000
		(i)	(ii)	(iii)	(iv)	(v)
<u>EXPENDITURE</u>						
Benefits						
		75,000	18,750	18,600	-150	75,000
		27,000	8,000	7,800	-200	27,000
	sub total (a)	102,000	26,750	26,400	-350	102,000
Admin Expenses						
		1,100	275	275	0	1,100
		250	30	14	-16	250
		200	20	13	-7	200
	sub total (b)	1,550	325	302	-23	1,550
Investment Expenses						
		3,400	850	900	50	3,400
		4,500	500	500	0	4,500
		150	38	30	-8	150
		260	65	67	2	260
	sub total (c)	8,310	1,453	1,497	45	8,310
	Total Expenditure (d)	111,860	28,528	28,199	-329	111,860
INCOME						
Contributions						
		108,000	39,600	40,800	1,200	108,000
		2,500	1,060	1,050	-10	2,500
	sub total (e)	110,500	40,660	41,850	1,190	110,500
Transfers						
		7,000	1,750	900	-850	7,000
		-4,000	-1,000	-490	510	-4,000
	sub total (f)	3,000	750	410	-340	3,000
Other Income						
		1,300	325	306	-19	1,300
	sub total (g)	1,300	325	306	-19	1,300
	Total Income (h)	114,800	41,735	42,566	831	114,800
	Net Surplus (i)	2,940	13,207	14,367	1,160	2,940