

## NORTH YORKSHIRE COUNTY COUNCIL

## PENSION FUND COMMITTEE

14 SEPTEMBER 2017

## 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 2017/18 | (see section 2) |
| (b) the cash deployment of the Fund                     | (see section 3) |

**2.0 2017/18 FORECAST**

- 2.1 The Cash surplus for the quarter to 30 June 2017 of £37.8m was higher than forecast (£35.9m), by £1.9m.
- 2.2 Pensions Payroll Expenditure of £19.9m and Retirement Grant payments of £7.3m were higher than forecast by £0.1m.
- 2.3 Contributions Income of £64.0m represents a £1.1m positive variance to budget.
- 2.4 The profile for contributions income has been adjusted to include the pre-payment of deficit contributions. Seven employers agreed with the Fund to pay their 2017/18 to 2019/2020 deficit contributions as a single payment in April 2017. This has resulted in an additional £35.6m of employer contribution receipts during the 3 months to June 2017.
- 2.5 Transfer Income for the period was £0.7m more than forecast at £2.5m. The forecasts for the year remain unchanged.
- 2.6 The GMP Reconciliation project will be discussed in a separate agenda item.

**3.0 CASH DEPLOYMENT IN 2017-18**

- 3.1 The cash generated in the year by the annual surplus, together with the opening balance has been utilised in 2017/18 as follows:

|   | £m            |                      |
|---|---------------|----------------------|
| Cash Balance Brought Forward from 2016/17                   | 8.7           |                      |
| Surplus to 30 June 2017 (as per Appendix 1)                 | 37.8          |                      |
| <b>Cash Available as at 30 June 2017 before Rebalancing</b> | <b>46.5</b>   | <b>(a)</b>           |
| <b>Rebalancing – Cash Transfers</b>                         |               |                      |
| April 2017 Transfer to BlueBay                              | -0.9          |                      |
| April 2017 Transfer to Newton                               | -10.0         |                      |
| May 2017 Transfer to Standard Life                          | -10.0         |                      |
| June 2017 Transfer from Permira                             | 0.2           |                      |
| <b>Total Rebalancing</b>                                    | <b>- 20.7</b> | <b>(b)</b>           |
| <b>Cash Available as at 30 June 2017</b>                    | <b>25.8</b>   | <b>(a) + (b)</b>     |
| <b>Add accruals as at 30 June 2017</b>                      | <b>6.0</b>    | <b>(c)</b>           |
| <b>Available for Rebalancing of the Fund</b>                | <b>31.8</b>   | <b>(d) = (a+b+c)</b> |

#### 4.0 RECOMMENDATIONS

4.1 Members to note the contents of the report.

GARY FIELDING  
Treasurer  
Central Services  
County Hall  
Northallerton

1 September 2017

# North Yorkshire Pension Fund Income and Expenditure as at 30 June 2017

# Appendix 1

|                                      | Budget<br>2017/18<br>£000<br>(i) | Profiled<br>Budget<br>to 30<br>June<br>£000<br>(ii) | Actual Income/<br>Expenditure<br>to 30 June<br>£000<br>(iii) | Variance<br>ie (iii-ii)<br>£000<br>(iv) | Forecast<br>2017/18<br>£000<br>(v) |
|--------------------------------------|----------------------------------|---|--|---|------------------------------------|
| <b>EXPENDITURE</b>                   |                                  |   |  |   |                                    |
| <b>Benefits</b>                      |                                  |   |  |   |                                    |
| Pensions                             | 80,000                           | 20,000  | 19,939   | -61                                     | 80,000                             |
| Lump Sums (including refunds)        | 28,500                           | 7,125   | 7,294  | 169                                     | 28,500                             |
| <b>sub total (a)</b>                 | <b>108,500</b>                   | <b>27,125</b>                                       | <b>27,233</b>  | <b>108</b>                              | <b>108,500</b>                     |
| <b>Admin Expenses</b>                |                                  |   |  |   |                                    |
| Finance and Central Services inc ESS | 1,200                            | 300   | 0  | -300                                    | 1,200                              |
| GMP Reconciliation Project           | 0                                | 0   | 0  | 0                                       | 230                                |
| Other Admin Expenses                 | 410                              | 103   | 111  | 9                                       | 410                                |
| <b>sub total (b)</b>                 | <b>1,610</b>                     | <b>403</b>  | <b>111</b>   | <b>-292</b>                             | <b>1,840</b>                       |
| <b>Investment Expenses</b>           |                                  |   |  |   |                                    |
| Investment Management Fees (Base)    | 3,700                            | 925   | 1,075  | 150                                     | 3,700                              |
| Performance Related                  | 3,500                            | 0   | 0  | 0                                       | 3,500                              |
| Custodian Fees                       | 150                              | 38  | 32   | -5                                      | 150                                |
| Other Investment Expenses            | 260                              | 65  | 67   | 2                                       | 260                                |
| <b>sub total (c)</b>                 | <b>7,610</b>                     | <b>1,028</b>  | <b>1,174</b>   | <b>146</b>                              | <b>7,610</b>                       |
| <b>Total Expenditure (d)</b>         | <b>117,720</b>                   | <b>28,555</b>                                       | <b>28,518</b>  | <b>-37</b>                              | <b>117,950</b>                     |
| <b>INCOME</b>                        |                                  |   |  |   |                                    |
| <b>Contributions</b>                 |                                  |   |  |   |                                    |
| Employer and Employee Contributions  | 148,000                          | 62,881  | 63,983   | 1,102                                   | 148,000                            |
| Early Retirement Costs Recharged     | 2,500                            | 625   | 251  | -374                                    | 2,500                              |
| <b>sub total (e)</b>                 | <b>150,500</b>                   | <b>63,506</b>                                       | <b>64,234</b>  | <b>728</b>                              | <b>150,500</b>                     |
| <b>Transfers</b>                     |                                  |   |  |   |                                    |
| Transfers IN (per individuals)       | 7,500                            | 1,875   | 2,531  | 656                                     | 7,500                              |
| Transfers OUT (per individuals)      | -5,000                           | -1,250  | -1,224   | 26                                      | -5,000                             |
| <b>sub total (f)</b>                 | <b>2,500</b>                     | <b>625</b>  | <b>1,307</b>   | <b>682</b>                              | <b>2,500</b>                       |
| <b>Other Income</b>                  |                                  |   |  |   |                                    |
| Class Action Proceeds                | 0                                | 0   | 518  | 518                                     |                                    |
| Other Investment Income (Hermes)     | 1,200                            | 300   | 300  | 0                                       | 1,200                              |
| <b>sub total (g)</b>                 | <b>1,200</b>                     | <b>300</b>  | <b>818</b>   | <b>518</b>                              | <b>1,200</b>                       |
| <b>Total Income (h)</b>              | <b>154,200</b>                   | <b>64,431</b>                                       | <b>66,359</b>  | <b>1,928</b>                            | <b>154,200</b>                     |
| <b>Net Surplus (i)</b>               | <b>36,480</b>                    | <b>35,876</b>                                       | <b>37,842</b>  | <b>1,966</b>                            | <b>36,250</b>                      |