

# NORTH YORKSHIRE COUNCIL

## PENSION BOARD

26 OCTOBER 2023

### BUDGET AND CASH FLOW REPORT

#### Report of the Treasurer

#### 1.0 PURPOSE OF REPORT

1.1 To update Pension Board members on

- (a) the 2023/24 budget and the cost of running the Fund
- (b) the 4-year cashflow projection for the Fund
- (c) the latest position on the Fund's accounts and annual report for 2021/22 & 2022/23

#### 2.0 PENSION FUND BUDGET AND CASH FLOW

- 2.1 Each quarter a report is taken to the Pension Fund Committee (PFC), providing Members with the latest information on the costs of running the Fund and a forecast of its cashflow. The report taken to the September 2023 PFC meeting is attached as **Appendix 1**.
- 2.2 The budget update includes the position at the end of the June 2023 quarter (Q1) and a forecast to the end of the financial year, with the largest variances explained. At this early stage in the financial year, no significant variances are expected.
- 2.3 The cash flow forecast gives an indication of the expected position for the Fund over the next few years, which is to move into cashflow negative territory as the Fund matures. The forecast for pension benefits payments is based on assumptions on annual increases in pensioner numbers and inflation. September CPI figures are used as the basis for assumptions on future year inflation figures.
- 2.4 Subsequent to the September PFC meeting, and at the time of the drafting of this report and circulation of Board Papers, the September 2023 CPI figure was yet to be released, with this data becoming available on 18 October 2023. In the intervening period between the release of this data, and the formal sitting of Board, the impact of this data will be reviewed, and any material impact on the figures reported versus the assumptions used for future years will be assessed and reported verbally to the Board on 26 October.
- 2.5 The report also provides an update on the position in relation to the 2021/22 Accounts and the 2021/22 Annual Report. At the time of writing, the position outlined in the accompanying Appendix remains the same, with an outstanding

query remaining to be resolved around Council's pension liabilities, with the Council's auditors Deloitte considering further information provided by the Actuary to support their assurance checks in this area. A verbal update will be provided at the meeting should this position progress prior to the sitting of the Board. The audit of the Pension Fund's Annual Report including the Pension Fund Accounts was completed almost a year ago. Once the audit of the Council's accounts has been completed it is expected that Deloitte will issue an unqualified opinion on the Annual Report.

- 2.6 The audit of the 2022/23 Fund Accounts is in progress, with the External Audit Planning Report due to be presented to the Council's Audit Committee on 23 October. This document is attached for information as **Appendix 2**. It indicates the audit will be completed in November, but this may be ambitious.
- 2.7 The 2022/23 Fund Accounts forms part of the wider Council's accounts, and as such final audit opinion will not be received until the audit of the 2022/23 Council Accounts has been concluded and an audit opinion issued. As at the time of writing the audit of the 2022/23 Council Financial Accounts is expected to formally commence in the coming weeks.
- 2.8 The Pension Fund Committee will be asked to approve the Fund's Annual Report at its meeting on 24 November. Although the audit may have effectively been completed by then, it will not be finalised until the audit opinion on the Council's Accounts has been issued. The Committee will therefore be asked to approve a draft of the Annual Report, so that it can be published by the deadline of 1 December.

### **3.0 RECOMMENDATIONS**

- 3.1 Pension Board members to note the content of this report.

GARY FIELDING  
Treasurer to North Yorkshire Pension Fund  
16 October 2023