

Business Plan 2016/7 to 2018/9 – Q1 Update

Governance

Budget

All the costs associated with the management of the Fund are a charge to the Fund and not to the Council. Final out-turn figures for 2015/16 are shown below:

Cashflow

	2013/14	2014/15	2015/16 £000s			
	£000s	£000s	Budget	Actual	Projected for full year	Final under/over
Opening Cash	(15,874)	(30,520)	(43,735)	(43,735)		
Payments						
Pensions	46,858	50,415	53,600	52,932	52,932	(668)
Lump Sums & Death Grants	12,861	17,317	18,000	14,906	14,906	(3,094)
Transfers Out	3,260	2,036	2,800	5,889	5,889	3,089
Expenses (including In House)	2,436	2,691	3,200	4,881	4,881	1,681
Support Services	242	219	250	167	167	(83)
Total Payments	65,657	72,678	77,850	78,775	78,775	925
Income						
Employer Contributions	(27,451)	(29,608)	(31,765)	(30,506)	(30,506)	1,259
Employee Contributions	(14,629)	(14,532)	(15,000)	(14,535)	(14,535)	465
Employer Deficit Payments	(24,666)	(28,079)	(27,230)	(27,872)	(27,872)	(642)
Transfers In	(3,802)	(2,347)	(4,000)	(1,791)	(1,791)	2,209
Pension Strain	(1,104)	(3,030)	(2,350)	(3,204)	(3,204)	(854)
Income	(326)	(223)	(140)	(74)	(74)	66
Total Income	(71,978)	(77,819)	(80,485)	(77,982)	(77,982)	2,503
Cashflow Net of Investment Income	(6,321)	(5,141)	(2,635)	793	793	3,428
Investment Income	(2,575)	(2,847)	(2,850)	(2,497)	(2,497)	353
Total Net of In House Investments	(8,896)	(7,988)	(5,485)	(1,704)	(1,704)	3,781
In House Investments						
Draw downs	46,624	40,212	44,376	34,021	34,021	(10,355)
Distributions	(33,135)	(59,824)	(61,606)	(64,836)	(64,836)	(3,230)
Net Expenditure /(Income)	13,489	(19,612)	(17,230)	(30,815)	(30,815)	(13,585)
Total Net Cash Flow	4,593	(27,600)	(22,715)	(32,519)	(32,519)	(9,804)
Rebalancing Portfolio	(19,239)	14,385	39,400	62,614	62,614	23,214
Total Cash Flow	(14,646)	(13,215)	16,685	30,095	30,095	
Closing Cash	(30,520)	(43,735)	(27,050)	(13,640)		

Operating Costs

	2013/14	2014/15	2015/16			2016/17
	Actual £000s	Actual £000s	Budget £000s	Projected for full year £000s	Final under/ over £000s	Budget £000s
Governance Expenses						
Employee Costs (Direct)	182	218	226	225	(1)	229
Support & Services Costs (Internal Recharges)	23	13	19	34	15	19
Premises	19	8	17	0	(17)	17
IT (Support & Services)	10	12	10	2	(8)	10
Other Supplies & Services)	47	49	56	51	(5)	56
Audit Fees	35	37	36	40	4	40
Actuarial Fees	148	205	192	225	33	304
Consultant Fees	229	403	341	371	30	389
Advisor Fees	0	142	156	225	69	188
Legal Fees	31	21	30	35	5	30
Performance Monitoring Fees	25	20	25	30	5	25
Total Governance Expenses	749	1,128	1,108	1,238	130	1,307
Investment Management Expenses						
Fund Manager Fees*	5,571	16,127	14,490	11,300	(3,190)	11,028
Custody Fees	17	32	34	27	(7)	34
Total Investment Management Expenses	5,588	16,159	14,524	11,327	(3,197)	11,062
Administration Expenses						
Employee Costs (Direct)	599	592	662	603	(59)	711
Support & Services Costs (Internal Recharges)	69	53	82	157	75	90
Outsourcing	0	32	800	458	(342)	1,240
Premises	78	33	75	0	(75)	75
IT (Support & Services)	223	218	250	175	(75)	250
Other Supplies & Services)	63	75	70	61	(9)	107
Miscellaneous Income	(2)	(1)	0	0	0	70
Total Administration Expenses	1,030	1,002	1,939	1,454	(485)	2,543
Total Costs	7,367	18,289	17,571	14,019	(3,552)	14,912

*CIPFA have changed the elements that need to be included in Fund manager fees resulting in a reduction. Underlying fees are no longer required to be disclosed in the accounts.

Key Tasks

Key:

	Complete
	On target or ahead of schedule
	Commenced but behind schedule
	Not commenced
xN	Item added since original business plan
xM	Period moved since original business plan due to change of plan /circumstances
x	Original item where the period has been moved or task deleted since original business plan

Governance Tasks

Ref	Key Action –Task	2016/17 Period				Later Years	
		Q1	Q2	Q3	Q4	2017/18	2018/19
G1	Review CPF Adviser Procurement Framework		x	x	x		
G2	Review constitution and delegations in relation to asset pooling		x	x	x		
G3	Review/Tender Investment Consultancy and Independent Adviser Contracts		x	x	x		
G4	Consider Key Person Risk			x	x		
G5	Induction Training for PC					x	
G6	Review/Tender Actuarial					x	
G7	Review administration system contract					x	x

G8	Review of governance related policies					x	x
G9	Review/Tender Custodian Contract						x
G10	Impact of local government reorganisation in Wales						x