

# Business Plan 2017/8 to 2019/20 – Q2 Update

## Governance

### Budget

All the costs associated with the management of the Fund are a charge to the Fund and not to the Council. Actual 2017/18 figures are to end of Quarter 2 (2017)

### *Cashflow projections for 2017/18*

	2015/16 £000s	2016/17 £000s	2017/18 £000s			
	Actual	Actual	Budget	Actual	Projected for full year	Final under/over
<b>Opening Cash</b>	(43,735)	(13,640)	(13,623)	(13,623)		
<b>Payments</b>						
Pensions	52,932	54,684	55,860	28,927	56,857	997
Lump Sums & Death Grants	14,906	14,857	15,000	7,175	14,675	(325)
Transfers Out	5,889	5,473	3,200	3,995	5,595	2,395
Expenses	4,881	3,001	3,400	1,758	3,458	58
Support Services	167	300	120	0	120	0
<b>Total Payments</b>	<b>78,775</b>	<b>78,315</b>	<b>77,580</b>	<b>41,855</b>	<b>80,705</b>	<b>3,125</b>
<b>Income</b>						
Employer Contributions	(30,506)	(32,787)	(34,100)	(23,512)	(35,473)	(1,373)
Employee Contributions	(14,535)	(13,779)	(14,000)	(4,745)	(13,426)	574
Employer Deficit Payments	(27,872)	(28,474)	(51,784)	(52,075)	(52,531)	(747)
Transfers In	(1,791)	(2,540)	(2,000)	(2,994)	(3,994)	(1,994)
Pension Strain	(3,204)	(2,282)	(1,200)	(7)	(607)	593
Income	(74)	(146)	(100)	(5)	(32)	68
<b>Total Income</b>	<b>(77,982)</b>	<b>(80,008)</b>	<b>(103,184)</b>	<b>(83,338)</b>	<b>(106,063)</b>	<b>(2,879)</b>
<b>Cashflow Net of Investment Income</b>	<b>793</b>	<b>(1,693)</b>	<b>(25,604)</b>	<b>(41,483)</b>	<b>(25,358)</b>	<b>246</b>
Investment Income	(2,497)	(3,019)	(3,000)	(1,947)	(3,447)	(447)
Investment Expenses		2,991	3,000	1,522	3,022	22
<b>Total Net of In House Investments</b>	<b>(1,704)</b>	<b>(1,721)</b>	<b>(25,604)</b>	<b>(41,908)</b>	<b>(25,783)</b>	<b>(179)</b>
<b>In House Investments</b>						
Draw downs	34,021	45,146	47,008	35,069	71,717	24,709
Distributions	(64,836)	(56,614)	(77,834)	(22,440)	(63,722)	14,112
Net Expenditure /(Income)	(30,815)	(11,468)	(30,826)	12,629	7,995	38,821
<b>Total Net Cash Flow</b>	<b>(32,519)</b>	<b>(13,189)</b>	<b>(56,430)</b>	<b>(29,279)</b>	<b>(17,788)</b>	<b>38,642</b>
Rebalancing Portfolio	62,614	13,206	40,000	(481)	30,000	(10,000)
<b>Total Cash Flow</b>	<b>30,095</b>	<b>17</b>	<b>(16,430)</b>	<b>(29,760)</b>	<b>12,212</b>	
<b>Closing Cash</b>	<b>(13,640)</b>	<b>(13,623)</b>	<b>(30,053)</b>	<b>(43,383)</b>	<b>(1,411)</b>	

## Operating Costs

	2015/16	2016/17	2017/18			
	Actual	Actual	Budget	Actual	Projected for full year	Projected under/over
	£000s	£000s	£000s	£000s	£000s	£000s
<b>Governance Expenses</b>						
Employee Costs (Direct)	225	236	238	122	237	(1)
Support & Services Costs (Internal Recharges)	12	17	8	0	8	0
Premises	8	5	7	0	7	0
IT (Support & Services)	11	4	9	5	9	0
Other Supplies & Services)	54	58	50	28	50	0
Miscellaneous Income	0	(11)	0	0	0	0
Audit Fees	39	39	40	(4)	40	0
Actuarial Fees	222	335	143	4	143	0
Consultant Fees	371	703	458	175	458	0
Advisor Fees	225	188	187	42	187	0
Legal Fees	35	59	40	0	40	0
Pooling (Additional Costs)				6	80	80
<b>Total Governance Expenses</b>	<b>1,202</b>	<b>1,633</b>	<b>1,180</b>	<b>378</b>	<b>1,259</b>	<b>79</b>
<b>Investment Management Expenses</b>						
Fund Manager Fees*	14,971	14,386	11,878	1,598	14,386	2,508
Custody Fees	28	31	34	10	34	0
Performance Monitoring Fees	30	57	58	14	58	0
Pooling (Additional Costs)				0	n/k	n/k
<b>Total Investment Management Expenses</b>	<b>15,029</b>	<b>14,474</b>	<b>11,970</b>	<b>1,622</b>	<b>14,478</b>	<b>2,508</b>
<b>Administration Expenses</b>						
Employee Costs (Direct)	603	648	776	317	645	(131)
Support & Services Costs (Internal Recharges)	46	94	42	0	42	0
Outsourcing	404	260	900	71	900	0
Premises	33	6	33	0	33	0
IT (Support & Services)	243	290	250	250	270	20
Member Self Service	0	0	75	15	75	0
Other Supplies & Services)	61	70	70	63	70	0
Miscellaneous Income	0	0	0	0	0	0
<b>Total Administration Expenses</b>	<b>1,390</b>	<b>1,368</b>	<b>2,146</b>	<b>716</b>	<b>2,035</b>	<b>(111)</b>
<b>Employer Liaison Team</b>						
Employee Costs (Direct)			144	69	136	(8)
<b>Total Costs</b>	<b>17,621</b>	<b>17,475</b>	<b>15,440</b>	<b>2,785</b>	<b>17,908</b>	<b>2,468</b>

## 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	2017/18 Period				Later Years	
		Q1	Q2	Q3	Q4	2018/19	2019/20
G1	Induction and refresher training for PFC	x	x				

## Governance Task Descriptions

### G1 – Induction Training for PC

#### What is it?

The Fund's Training Policy details how the Fund will ensure that training is delivered, and how the required training is identified for each member of both the Clwyd Pension Committee and the Pension Board. Ongoing training to meet the requirements of this policy will take place. Although there is expected change at a minimal level with the PFC, Pension Board and officers, the Council elections in May 2017 could result in significant changes to membership, in which case intensive induction training will be required.

### **Timescales and Stages**

Source and ensure delivery of induction training

2017/18 Q1/2

### **Resource and Budget Implications**

Training requirements to be determined by Pension Fund Manager with assistance from the Independent Adviser. Other advisers and external sources may be used for delivering training. There will be external adviser costs associated with this exercise which are incorporated into the 2017/18 budget.