



SOUTH YORKSHIRE
PENSIONS AUTHORITY

Subject	Local Pension Board Budget 2020/21	Status	For Publication
Report to	Local Pension Board	Date	11 December 2019
Report of	Fund Director and Treasurer		
Equality Impact Assessment	Not Required	Attached	No
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1 Purpose of the Report

- 1.1 To receive the Board's draft budget for 2020/21 and recommend it to the Authority for approval.

2 Recommendations

- 2.1 Members are recommended to:
- a. **Receive and comment on the draft budget for the Board for 2020/21.**
 - b. **Recommend the draft budget to the Authority for its approval as part of the Authority's overall budget.**

3 Link to Corporate Objectives

- 3.1 This report links to the delivery of the following corporate objectives:

Customer Focus

To design our services around the needs of our customers (whether scheme members or employers).

Resourcing the Board to effectively carry out its role will allow it to contribute to ensuring that services are designed and delivered with customers in mind.

Effective and Transparent Governance

To uphold effective governance showing prudence and propriety at all times.

One of the benchmarks of effective governance is a transparent budget process of which this report forms a part.

4 Implications for the Corporate Risk Register

- 4.1 The budget proposals outlined in this report contribute to addressing the risks identified in the Corporate Risks Register associated with the effective operation of the Board. They do not, however, eliminate such risks which will depend on the way in which Board members fulfil the obligations placed on them through membership of the Board.

5 Background and Options

- 5.1 This report sets out the proposed Local Pension Board Budget for 2020/21. The Board's budget has not undergone any fundamental review since the Board was created in the wake of the Public Sector Pensions Act 2013. The recent turnover in membership and the decision to appoint an independent adviser to the Board provide an opportunity to carry out such a review based on a much clearer understanding of the Board's role and its resource implications than was available when the Board was first created.
- 5.2 In the current year it is anticipated that the total available budget of £15,000 will be underspent by £9,000 (60%). The key variances are as follows:
- Training (£4,800) Underspend: There has been no training expenditure so far this financial year; £1,200 has been anticipated for costs that may arise in the final quarter of the year.
 - Insurance (£2,500) Underspend: Separate policy for Local Pension Board not required, therefore policy not renewed in this financial year. The budget for this will be reallocated going forward as shown below.
 - Meetings Running Expenses (£1,700) Underspend: The actual costs for room hire, catering, printing of agendas etc. are below the level of the budget that was set by around £4,000 altogether. However, some of this amount is being used this year to fund the new Independent Adviser appointed from October, resulting in the net underspend of (£1,700) for meetings running costs.
- 5.3 The table below sets out the proposed movements in resources from the base position (the 2019/20 Original Budget) and the proposed position for 2020/21.

Local Pension Board Budget 2020/21	2019/20 Budget	Reallocate Resources	Savings	2020/21 Budget
Type of Spending	£	£	£	£
Independent Adviser	0	6,000	0	6,000
Room hire and catering	4,500	-3,500	-250	750
Printing and Postage (Agendas etc.)	1,000	0	-250	750
Member travel expenses (Meetings)	1,000	0	-500	500
Insurance	2,500	-2,500	0	0
Training and associated travel and subsistence	6,000	0	0	6,000
Total	15,000	0	-1,000	14,000

The movements shown in the different columns represent the following:

- Reallocation of Resources – Reallocation of budgets between individual spending heads to reflect real expenditure patterns.

- Savings – The removal of resources not required to maintain current service levels

The budget for the LPB this year does not require any movement for the following:

- Inflation – The impact of maintaining the real value of certain budgets where prices are contractually linked to inflation.
- Growth – Additional enhancements to services proposed in line with the Corporate Strategy.

- 5.4 The budget proposed reflects a reallocation of budget to support the Independent Adviser, together with the removal of the budget for a separate liability insurance policy on the grounds that the clear advice of the Scheme Advisory Board is that such a policy is not required. Overall the budget represents a saving of 6.7% on 2019/20. Members' attention is drawn to the fact that the budget for member training, which has been maintained at the same level as previously, has historically been significantly underspent. Members are encouraged to take up training opportunities and in addition resources have been reallocated for "bite size" sessions alongside Board meetings delivered by the Independent Adviser and officers initially. At this stage no fundamental growth is proposed.
- 5.5 The final budget will include a proportion of the Authority's costs in relation to committee administration and other democratic services. These have not previously been included (and do not represent an increase in the Authority's overall costs). Including these costs provides a better indication of the total cost of maintaining the Board and assists in providing a better representation of the allocation of the Authority's overall costs for external reporting purposes.
- 5.6 Members of the Board are invited to comment on the draft budget and frame a recommendation to the Authority for consideration at its meeting on 23rd January 2020.

6 Implications

- 6.1 The proposals outlined in this report have the following implications:

Financial	As set out in the body of the report
Human Resources	None apparent
ICT	None
Legal	None
Procurement	None

George Graham

Neil Copley

Fund Director

Treasurer

Background Papers	
Document	Place of Inspection
Budget working papers	Floor 8 Gateway Plaza, Sackville Street, Barnsley