

SOUTH YORKSHIRE PENSIONS AUTHORITY

18 January 2018

Report of the Treasurer

REVENUE ESTIMATES 2018/19

1 Matter for consideration

Following various consultations, to formally confirm the draft budget proposals considered by the Authority on 30 November 2017, revised for the National Employers pay offer made on 5 December 2017, but not yet agreed, and summarised herewith.

2 Recommendations

The Authority is asked to formally confirm the budget proposals and approve the budget of £8,981,300 for 2018/19.

3 Background Information

- 3.1 At its meeting on 30 November, the Authority considered draft budget proposals for the 2018/19 financial year. The key elements of these proposals were subsequently the subject of consultations with various interested parties and no changes were suggested.
- 3.2 On 5 December the Employers' side of the NJC made a detailed 2 year pay offer increasing the national pay bill by 5.6% over two years. The offer is for 2% per annum for salaries starting at £19,430 per annum with higher increases for those on lower salaries. In effect the new salary scales will start at a bottom rate of £8.50 per hour increasing to £9 per hour in 2019 which will largely bring it in line with the living wage.
- 3.3 The pay offer for 2018/19 has now been built into the figures presented at the November meeting on the basis that this is the latest information available and has resulted in an increase of £46,200 (£8,981,300 against £8,935,100). This offer is with the Trade Unions for consultation and has not yet been agreed.
- 3.4 A summary of the amended draft budget as considered at the Authority meeting on 30 November is attached at Appendix A with the only change being the extra £46,200 under employees expenses. The full report considered by members at that meeting can be accessed on the Pensions website.

4 Implications

- 4.1 Financial
An additional £46,200 reported above compared with the report to the November 2017 Authority meeting.

- 4.2 Legal
None
- 4.3 Diversity
None
- 4.4 Risk
None

N Copley
Treasurer

Officer responsible: Bev Clarkson, Head of Finance, South Yorkshire Pensions Authority
Background papers used in the preparation of this report are available for inspection at the South Yorkshire Pensions Authority.

Other sources and references: none

APPENDIX A**SOUTH YORKSHIRE PENSIONS AUTHORITY****ADMINISTRATION AND INVESTMENT EXPENSES****REVENUE ESTIMATES 2018/19 AT OUTTURN PRICES****SUMMARY**

	2017-18 ORIGINAL ESTIMATE £	2017-18 PROBABLE OUTTURN £	2018-19 ESTIMATE £
ADMINISTRATION EXPENSES	3,182,500	3,016,300	3,190,600
INVESTMENT EXPENSES	3,860,100	4,200,800	5,790,700
POOLING SET UP ADJUSTMENT	7,042,600	7,217,100	8,981,300
CONTINGENCIES	130,500	-0	-0
	-0	-0	-0
TOTAL EXPENDITURE REQUIREMENT	7,173,100	7,217,100	8,981,300
INVESTMENT COSTS LINKED TO MARKET VALUES	1,770,000	1,800,000	4,113,000
NET CONTROLLABLE BUDGET	5,403,100	5,417,100	4,868,300
RECHARGED TO:			
FUND	7,003,100	7,107,100	8,981,300
SYPT PENSION FUND	170,000	110,000	-
	7,173,100	7,217,100	8,981,300
ACTUARIAL WORK CHARGED TO FUND	90,000	90,000	90,000
<u>MEMORANDUM ITEM</u>			
DISTRICT OFFICES			
Barnsley	104,300	105,600	111,300
Doncaster	114,200	90,100	117,800
Rotherham	87,300	90,100	92,000
Sheffield	120,600	123,400	127,600
	426,400	409,200	448,700

SOUTH YORKSHIRE PENSIONS AUTHORITY

ADMINISTRATION EXPENSES

REVENUE ESTIMATES 2018/19 AT OUTTURN PRICES

	2017-18 ORIGINAL ESTIMATE £	2017-18 PROBABLE OUTTURN £	2018-19 ESTIMATE £
EXPENDITURE			
EMPLOYEES			
Administration and Clerical	2,238,900	2,027,300	2,171,500
Training Expenses	14,000	14,000	14,000
Other Indirect Expenses	23,800	23,900	24,500
PREMISES RELATED EXPENSES			
Rents - Office Accommodation	157,000	157,000	162,000
TRANSPORT RELATED EXPENSES			
Public Transport	3,000	2,000	3,000
Car Allowances	7,000	5,000	7,000
SUPPLIES AND SERVICES			
Equipment, Furniture and Materials	15,900	15,400	15,900
Publications	200	200	500
Printing and Stationery	75,500	75,500	76,000
Communications and Computing			
Postages and Telephones	100,000	100,000	100,000
Computer Services	25,000	25,000	32,000
Imaging maintenance	2,000	2,000	2,000
UPM	86,000	92,000	102,000
Subsistence and Conferences	2,200	2,000	2,200
Subscriptions	10,000	10,000	10,000
Actuarial Fees	70,000	120,000	100,000
Legal Services	2,000	2,000	2,000
Other Professional Fees	50,000	50,000	55,000
Miscellaneous Expenses	9,000	9,000	9,000
CENTRAL EXPENSES			
Central Services	216,000	216,000	216,000
IT Network	55,000	55,000	60,000
Insurances	32,000	33,000	34,000
Subscriptions	16,000	16,000	16,000
Audit Fee	45,000	45,000	45,000
Bank Charges	15,000	15,000	15,000
Democratic Representation	14,000	12,000	14,000
Member Training	5,000	4,000	5,000
Disaster Recovery	11,000	11,000	11,000
Local Pension Board	15,000	10,000	15,000
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GROSS EXPENDITURE	3,315,500	3,149,300	3,319,600
MISCELLANEOUS INCOME	133,000	133,000	129,000
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NET EXPENDITURE	3,182,500	3,016,300	3,190,600
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SOUTH YORKSHIRE PENSIONS AUTHORITY

INVESTMENT GENERAL AND INVESTMENT MANAGEMENT EXPENSES

REVENUE ESTIMATES 2018/19 AT OUTTURN PRICES

	2017-18 ORIGINAL ESTIMATE £	2017-18 PROBABLE OUTTURN £	2018-19 ESTIMATE £
EXPENDITURE			
EMPLOYEES			
Administration and Clerical	1,201,000	1,248,500	938,300
Training Expenses	4,000	6,000	18,000
Other Indirect Expenses	5,000	9,000	8,100
PREMISES RELATED EXPENSES			
Rents - Office Accommodation	48,000	48,000	49,000
TRANSPORT RELATED EXPENSES			
Public Transport	8,400	9,000	9,000
Car Allowances	3,500	3,500	3,500
SUPPLIES AND SERVICES			
Equipment, Furniture and Materials	7,000	7,000	7,000
Publications	4,400	5,000	5,000
Printing and Stationery	3,000	3,000	3,000
Communications and Computing			
Postage and Telephones	300	300	300
Computer Services	12,000	12,000	12,000
Subsistence and Conferences	1,500	1,500	1,500
Subscriptions	50,000	50,000	52,000
Actuarial Fees	20,000	130,000	30,000
Legal Fees	1,000	1,000	1,000
Other Professional Fees	35,000	35,000	35,000
Miscellaneous Expenses	2,000	2,000	2,000
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INVESTMENT GENERAL EXPENSES	1,406,100	1,570,800	1,174,700
<u>INVESTMENT MANAGEMENT EXPENSES</u>			
Internal Information Systems	382,000	382,000	399,000
Custodian & Other Investment Expenses	301,000	301,000	259,000
Investment Pooling	330,500	345,000	-
External Management Fees	1,571,000	1,602,000	3,958,000
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INVESTMENT MANAGEMENT EXPENSES	2,584,500	2,630,000	4,616,000
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NET EXPENDITURE	3,990,600	4,200,800	5,790,700
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