

**Agenda Item**

<b>Subject</b>	<b>Local Pension Board Budget 2025/26</b>	<b>Status</b>	For Publication
<b>Report to</b>	Local Pension Board	<b>Date</b>	7 November 2024
<b>Report of</b>	Director and Chief Finance Officer		
<b>Equality Impact Assessment</b>	Not Required	Attached	No
<b>Contact Officer</b>	Gillian Taberner AD – Resources & Chief Finance Officer	<b>Phone</b>	01226 666420
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**1 Purpose of the Report**

- 1.1 To receive the Board’s proposed budget for 2025/26 and provide any comments prior to recommending the draft budget to the Authority for approval as part of the overall budget.

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**2 Recommendations**

- 2.1 Members are recommended to:
- a. **Receive and comment on the proposed 2025/26 LPB budget of £51,000.**
  - b. **Recommend the draft LPB budget to the Authority for its approval as part of the Authority’s overall budget.**

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**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 Risk 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 2025/26.

5.2 The table below sets out the current forecast budget outturn for 2024/25 and the proposed budget for 2025/26.

<b>Expenditure Item</b>	<b>2023/24 Actual Outturn</b>	<b>2024/25 Budget £</b>	<b>2024/25 Q2 Forecast Outturn £</b>	<b>2024/25 Q2 Forecast Variance £</b>	<b>2025/26 Proposed Budget £</b>
Independent Adviser	9,640	9,800	10,220	420	11,600
LPB Member Allowances	13,550	18,700	20,010	1,310	28,700
Member Learning & Development	9,220	8,000	7,000	(1,000)	8,800
Travel & Subsistence Expenses	1,030	1,000	860	(140)	1,000
Other running costs	1,460	700	1,350	650	900
<b>Total</b>	<b>34,900</b>	<b>38,200</b>	<b>39,440</b>	<b>1,240</b>	<b>51,000</b>

5.3 The 2024/25 budget for the Board is currently forecast to be overspent by a total of £1,240. This comprises variances as follows.

- a. A small overspend on member allowances primarily due to an increase in the number of allowances being paid following changes in membership, specifically the three positions no longer being held jointly by the co-opted members of the Authority.
- b. Forecast minor overspends on adviser and other running costs. The main reason for this being the one-off costs incurred this year for recruitment of a new adviser.
- c. An underspend of (£1,000) is currently forecast on the learning and development budget based on actual costs to date, plus known and estimated costs for training and other external events. The expenditure for 2024/25 will resource a substantial level of activity in accordance with the Member L&D Strategy, including the Board's share of costs for:

- i. The LGPS Online Learning Academy (LOLA)
  - ii. Participation in the National Knowledge Assessment
  - iii. The CPD Away Day for members on 28 November 2024
  - iv. Places for two LPB members on CIPFA's LPB Conference held in May 2024
  - v. Training course on Chairing Skills attended by the Chair and Vice Chair in September 2024
  - vi. Delivery of bespoke training presentation on the Valuation Assumptions taking place in February 2025.
  - vii. Other individual places on suitable training course or conference events in the remainder of the year as required.
- 5.4 The budget proposed for 2025/26 has been prepared to take into account the known resourcing requirements and changes based on the above analysis of the current year actuals and forecast.
- 5.5 The budget for the independent adviser allows for an inflationary increase on fees in accordance with the contract as well as a prudent estimate for associated expenses.
- 5.6 The proposed increase to the budget for member allowances is based on the following.
- a. An assumption of a 3% increase in 2025/26 for inflationary pay award. Allowances are increased in line with the nationally agreed pay award for local government. At this stage in the year, there is no indication of what the pay award for 2025/26 might be; the award for 2024/25 has only just been agreed at 2.5%, therefore 3% has been used as a prudent estimate. This assumption will be re-assessed when preparing the Authority's overall budget prior to consideration in February 2025 and will be updated if deemed necessary or appropriate.
  - b. An assumption has also been used that allowances will be paid to nine out of ten members of the Board. Under the scheme, members may decline to be paid the allowance and currently there is a small number who have done so. For budget purposes, taking a cautious but balanced approach, it is assumed that all except one allowance will be in payment.
- 5.7 The budget proposed for member learning and development represents a 10% increase on the 2024/25 budget. This is based on costs of core training such as LOLA and the annual CPD away day, an allowance for potential costs relating to sourcing external presenters for the training programme for the year, and an expectation that there may be increased uptake of places on external training courses and conferences in 2025/26 arising from the introduction of individual training plans.
- 5.8 The budget amounts proposed for member travel expenses and other running costs are based on the anticipated costs for the year ahead taking account of recent experience and numbers of meetings and events to be scheduled.
- 5.9 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 13 February 2025.

## **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
ICT	None
Legal	None

Procurement	None
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**George Graham**

**Gillian Taberner**

**Director**

**Assistant Director – Resources & Chief Finance Officer**

<b>Background Papers</b>	
<b>Document</b>	<b>Place of Inspection</b>
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