

Subject	Local Pension Board Budget 2026/27	Status	For Publication
Report to	Local Pension Board	Date	6 November 2025
Report of	Director and Chief Finance Officer		
Equality Impact Assessment	Not Required	Attached	No
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1 Purpose of the Report

- 1.1 To receive the Board's proposed budget for 2026/27 and provide any comments prior to recommending the draft budget to the Authority for approval as part of the overall budget.

2 Recommendations

- 2.1 Members are recommended to:
- a. Receive and comment on the proposed 2026/27 LPB budget of £52,810.**
 - b. Recommend the draft LPB budget to the Authority for 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 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 2026/27.
- 5.2 The table below sets out the current forecast budget outturn for 2025/26 and the proposed budget for 2026/27.

Expenditure Item	2024/25 Actual Outturn	2025/26 Budget	2025/26 Q2 Forecast Outturn	2025/26 Q2 Forecast Variance	2026/27 Proposed Budget
		£	£	£	£
Independent Adviser	10,590	11,600	11,220	-380	11,930
LPB Member Allowances	18,390	28,700	24,460	-5,360	29,980
Member Learning & Development	7,180	8,800	7,690	-1,110	9,000
Travel & Subsistence Expenses	910	1,000	940	-60	1,000
Other running costs	470	900	720	-180	900
Total	37,540	51,000	45,030	-7,090	52,810

- 5.3 The 2025/26 budget for the Board is currently forecast to underspend by a total of (£7,090). This comprises variances as follows.
- An underspend of (£5,360) on member allowances, primarily resulting from turnover in membership during this year, and the effect of any members opting not to receive their allowance.
 - An underspend of (£1,110) on learning and development based on costs incurred and planned to date for training events and attendance. There has been fairly good take-up of training by Board members so far this year – if more courses are taken up before the end of March, this underspend could be reduced.
 - Forecast minor underspends on all other running costs.
- 5.4 The budget proposed for 2026/27 represents an overall increase of 3.5% on the 2025/26 budget. It 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.
- An assumption of a 3.5% increase in 2026/27 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 2026/27 might be; the award for 2025/26 has only recently been agreed at 3.20%, therefore 3.5% has been used as a prudent estimate, taking account of current inflation rates and projections. This assumption will be re-assessed when preparing the Authority's overall budget prior to consideration in February 2026 and will be updated if deemed necessary or appropriate.
 - 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 small increase on the 2025/26 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 2026/27 arising from individual member 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 recommend to the Authority for consideration at its meeting on 26 February 2026.

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

Gillian Taberner

Director

Will Goddard

Acting Assistant Director – Resources & Chief Finance Officer

Background Papers	
Document	Place of Inspection
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