

WILTSHIRE COUNCIL

WILTSHIRE LOCAL PENSION BOARD
25 January 2017

Local Pension Board Budget

Purpose of the Report

1. The purpose of this report is to present a proposed Local Pension Board Budget for 2017-18 for the Board to consider and recommend to the Pension Fund Committee for inclusion in the Wiltshire Pension Fund Administration Budget 2017-18, as shown in the Appendix.
2. The Wiltshire Pension Fund Committee will consider the Fund's Administration budget at its meeting on 23 March 2017.

Background

3. To ensure good governance budgets are required to monitor the stewardship of the Fund's expenditure and financial plans assist in mitigating risks by allocating necessary resources to develop the service. The Wiltshire Pension Fund Committee approves the Pension Fund Administration budget each year.
4. The scheme regulations state that the operational cost of the Local Pension Board must be borne as an expense to the administering Fund's budget.
5. Therefore, the Local Pension Board's budget is approved by the Pension Fund Committee when setting its budget for the year. Should any further expenditure be required beyond this, then approval must be obtained from the Wiltshire Council Associate Director, Finance.

Main Considerations for the Board

6. The overall proposed budget for 2017-18 is £27k, a reduction of £6k from 2016-17.
7. The phasing of training costs differed from those originally envisaged. A budget of £12k was allocated in 2014-15 with the intention of training Board Members ahead of them commencing their roles in April 2015, with a reduced budget of £6k in 2015-16. The training budget was then increased to original allocation of £12k in 2016-17 based on the training plan that was in place at that time. We are now proposing that for 2017-18 this budget is reduced to £6k again, unless the Board has further training plans it wishes to cover during the next financial year.
8. Currently there is £7k in the budget for an Independent Governance Advisor. The Terms of Reference entitles the Board to independent expert advice and this budget would allow the commissioning of an adviser for specific pieces of work. The budget has been held at the current level however; depending on the agreed Work Plan of this Board there might be an argument to request an increase in this allocation.
9. The type of work that might be commissioned is expert independent advice for reviewing areas of risk or ensuring compliance with the scheme regulations where a conflict may exist with officers. The current budget would probably allow for one review on a specific area.

10. The Board still await further guidance on the indemnity insurance for Members of the Local Pension Board from the Scheme Advisory Board. In the interim officers are still researching the market and should the purchase of insurance to cover the Board Members be required then this will be an additional cost that would need to be added to the budget.
11. Should further funding be required during the year for a piece of work, then approval for this spend can be sought from the Associate Director, Finance.

Environmental Impact of the Proposals

12. There are none.

Legal Implications

13. There are no known implications at this time.

Financial Considerations & Risk Assessment

14. In line with good governance practice, officers bring budget monitoring reports back to the Pension Fund Committee twice a year. In the interim, variations against budget will be monitored and if they become very significant, the Associate Director, Finance will approve variations to the budget and report these to Committee retrospectively for ratification.

Safeguarding Considerations/Public Health Implications/Equalities Impact

15. There are no known implications at this time.

Reason for Proposal

16. The recommendation of the Local Pension Board budget to the Pension Committee is in line with best practice and assists in mitigating a number of risks outlined in the Risk Register.

Proposal

17. The Board is asked to agree the draft Local Pension Budget and recommend to the Pension Fund Committee that this is included in the Fund's Administration budget for 2016-17.

MICHAEL HUDSON
Treasurer to Pension Fund

Report Author: Rozalyn Vernon, Pension Fund Accountant

Unpublished documents relied upon in the production of this report: *None*

APPENDIX

Wiltshire Local Pension Board Proposed Budget 2017-18

	2015-16 Actual	2016-17 Budget	2016-17 Actual (Apr-Dec)	2016-17 Forecast	Changes	2017-18 Budget
	£	£	£	£	£	£
Independent Chair Remuneration	8,832	9,214	4,612	9,214	0	9,214
Independent Advisor Fees	8,000	7,000	5,000	7,000	0	7,000
Training	1,440	12,000	3,500	6,000	-6,000	6,000
Printing	0	1,000	0	0	0	1,000
Committee Services Recharge	2,067	3,000	0	2,067	0	3,000
Travel & Subsistence & costs	1,210	800	252	800	0	800
Catering	207	400	0	200	0	400
	21,756	33,414	13,364	25,281	-6,000	27,414