

Budget and Cash Flow Forecast

APPENDIX 5

<u>Three Year Budget</u>	Budget for 2020/21 £	Forecast 2020/21 £	Budget 2021/22 £	Budget 2022/23 £	Budget 2023/24 £
Investment Expenses	28,280	9,929	17,629	17,922	18,220
Administration Costs	89,147	54,518	122,166	95,959	97,879
Communication Costs	144,073	84,326	162,655	133,178	135,242
Payroll Communication Costs	107,669	104,339	152,718	130,272	132,878
Information Systems	374,841	339,903	292,761	298,617	304,589
Salaries	2,620,255	2,209,818	2,953,004	3,202,309	3,052,405
Central Allocated Costs	538,652	538,789	514,212	524,496	534,986
IT Strategy	0	0	0	0	0
Miscellaneous Recoveries/Income	(220,500)	(207,500)	(220,821)	(225,237)	(229,742)
Total Administration	3,682,417	3,134,122	3,994,325	4,177,516	4,046,457
Governance Costs	475,800	476,255	575,600	437,292	434,998
- Members' Allowances	42,080	42,080	40,735	41,550	42,381
- Independent Members' Costs	58,000	47,735	58,000	58,960	59,939
Compliance Costs	567,930	712,000	801,075	847,097	833,438
Brunel Expenses	25,000	17,000	25,000	25,000	25,000
Compliance Costs recharged	(200,000)	(200,000)	(192,000)	(195,840)	(199,757)
Governance & Compliance	968,810	1,095,069	1,308,410	1,214,058	1,195,999
Pensions Board	45,000	11,049	45,000	45,900	46,818
Global Custodian Fees	67,000	67,000	44,000	44,880	45,778
Brunel Management Fees	1,635,000	1,251,487	1,280,000	1,280,000	1,280,000
<u>Investment Manager Fees</u>					
Annual Management Fees	19,380,394	18,244,098	18,057,997	19,141,476	20,289,965
Performance Related Fees	9,470,866	0	1,000,000	1,060,000	1,123,600
Investment Fees	30,553,260	19,562,585	20,381,997	21,526,356	22,739,343
TOTAL COST TO FUND	35,249,487	23,802,825	25,729,731	26,963,831	28,028,617

<u>Cash Flow Forecast</u> (Excluding Administration and Investment costs)		<u>2021/22</u> £'000	<u>2022/23</u> £'000	<u>2023/24</u> £'000
Benefits Outflows				
Benefits	Pensions	(163,714)	(166,661)	(169,828)
	Lump sums	(22,392)	(22,795)	(23,228)
Total Benefits Outflows		(186,106)	(189,456)	(193,056)
Inflows				
Deficit recovery		3,958	4,113	4,274
Deficit recovery - paid in advance		7,553	7,848	46,644
Future service Contributions		102,113	106,981	112,080
Future service Contributions - paid in advance		55,487	54,439	55,759
Total Contributions		169,111	173,381	218,757
Net Cash Flow (excluding Administration & Investment costs)		(16,995)	(16,075)	25,701
Divestments & Investment income received as cash		27,000	26,500	(12,500)
Net Pension Transfers In / Out		0	0	0
Cash outflow due to administration of the Fund		(9,838)	(10,035)	(10,235)
Net Cash Flow (Out-Flow)		167	390	2,966
Notes				
- Net cash requirements will be met from divestments and cash balances				
- Transfers in and out are assumed to net to zero				
- The cash outflow due to administration includes Investment Management Fees that are invoiced to the Fund.				
- The forecast for 2023/24 includes the assumption that employers will make up-front three year deficit payments in advance. The deficit payments in 2021/22 and 2022/23 are smaller due to some employers making three year advance deficit payments.				