



LOCAL PENSION BOARD

24 SEPTEMBER 2024

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| REPORT TITLE: | MERSEYSIDE PENSION FUND BUDGET OUT-TURN 2023/24 AND FINAL BUDGET 2024/25 |
| REPORT OF: | DIRECTOR OF PENSIONS |

REPORT SUMMARY

The purpose of this report is to provide Board Members with a copy of the Pension Fund budget report presented to the July 2024 Pensions Committee.

RECOMMENDATIONS

That the Pension Board be recommended to note the out-turn for 2023/24 and the approved finalised budget for 2024/25.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION

- 1.1 The approval of the budget and annual report for Merseyside Pension Fund by Pensions Committee forms part of the governance arrangements of Merseyside Pension Fund. There is a requirement for Members of the Board to be kept up to date with legislative developments as part of their role in supporting the Scheme Manager.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Not relevant for this report.

3.0 BACKGROUND INFORMATION

- 3.1 The report provides Board Members with details of the Pension Fund budget report approved at the July 2024 Pensions Committee. Highlights include:
- The out-turn for the financial year 2023/24.
 - The finalised budget for the financial year 2024/25.
- 3.2 The actual out-turn for 2023/24 is £19.1m, lower than the original budget approved 11 July 2023 of £21.3m. The underspend is largely due to lower investment management fees, planned projects and areas of work being deferred to 2024/25, and the assumptions used for staffing. The actual out-turn is slightly higher, but in line with the projected out-turn reported at Pensions Committee on 19 March 2024.
- 3.3 The 2024/25 budget reported in March has been reviewed with departmental & central charges, external audit fees and lease and rent reviews updated, the finalised 2024/25 budget is £22.7m.
- 3.4 As reported in March, the budget for 2024/25 is higher at £22.7m than £21.3m in 2023/24 primarily due to higher investment management fees and increased staffing costs being forecast.

4.0 FINANCIAL IMPLICATIONS

- 4.1 Set out in the accompanying report.

5.0 LEGAL IMPLICATIONS

- 5.1 There are none arising from this report.

6.0 RESOURCE IMPLICATIONS: STAFFING; ICT AND ASSETS

- 6.1 Set out in the accompanying report.

7.0 RELEVANT RISKS

- 7.1 Set out in the accompanying report.

8.0 ENGAGEMENT/CONSULTATION

8.1 Not relevant for this report.

9.0 EQUALITY IMPLICATIONS

9.1 There are none arising from this report.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 There are no carbon usage implications, nor any other relevant environmental issues arising from this report.

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 There are none arising directly from this report.

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APPENDICES

The budget for 2024/25 including the out-turn for 2023/24 is attached as appendix 1 to this report. The original appendix as reported to Members on 27 March 2024 is attached as appendix 2 to this report for information.

BACKGROUND PAPERS

CIPFA: the guide for local pension boards

CIPFA: Service Reporting Code of Practice for Local Authorities

TERMS OF REFERENCE

This report is being considered by the Local Pension Board in accordance with Section 13.2 (a) of its Terms of Reference:

- (a) Review regular compliance monitoring reports which shall include reports to, and decisions made under, the Regulations by the Committee

SUBJECT HISTORY (last 3 years)

| Council Meeting | Date |
|-----------------------------|-------------------------|
| Local Pension Board: | 27 March 2024 |
| Pension Fund Budget | 20 June 2023 |
| | 22 February 2023 |
| | 23 February 2022 |