

Updated tables showing the provisional 2021/22 outturn following further work on the allocation of Investment Manager fees between reporting lines

Background:

Year-end work by Officers has identified that certain Border to Coast Pensions Partnership Ltd (BCPP) investment management fees were shown against incorrect lines in the tables included on pages 309 and 313 of the papers for today's meeting.

The following pages set out the amended provisional outturn figures following the correction of these allocations.

The changes only impact on the budget and outturn figures for investment management fees (i.e. there are no changes to the budget and outturn figures for either administration or oversight and governance costs).

The changes do, however, impact on the overall outturn figure. This is because an element of the adjustment relates to expenditure being moved from alternatives pooled fund fees (which, as in previous years, are not included in the budget setting process) into BCPP Assets under management costs (which are budgeted for).

Summary impact:

The detailed updated figures are provided on the following pages but, in summary, the provisional outturn for 2021/22 has moved from an underspend of £37 against a budget of £6,467,300 to an overspend of £183,021 (the budget figure is unchanged).

Updated recommendations

In recognition of the updated figures, the Committee is asked to agree the following revised recommendations:

Agenda item 13 (i.e. to replace the recommendations in section 3 on p.298):

It is recommended that Members:

3.1.1. Note that business of the Pension Fund in 2021/22 was completed in accordance with the Business Plan approved in March 2021.

3.1.2. Note that the provisional 2021/22 outturn for Cumbria Pension Fund was an overspend of £0.183m against a budget of £6.467m.

Agenda item 14 (i.e. to replace the recommendation in section 3 on p.312):

3.1. It is recommended that Members note that the provisional outturn against its budget for investment management fees (excluding Alternative – Pooled Fund fees). was an overspend of £0.246m.

2021/22 Outturn for the Administration of the Cumbria LGPS

	2021/22 Budget (£)	2021/22 Outturn (£)	2021/22 Outturn Variance (£)
Administration			
1 - Pensions Administration			
Administration Collaborative Arrangements	1,394,900	1,396,019	1,119
GMP Costs	15,700	19,739	4,039
2 - Employee Costs			
Staffing & Accommodation - Employer Funding & Accounting	329,100	294,006	(35,094)
Training & Travel	2,000	1,529	(471)
3 - Legal Advice			
Legal Fees on Employer Issues	30,000	19,078	(10,923)
4 - Other			
Medical & Occ Health Fees	0	250	250
Other administration costs	0	1,100	1,100
Administration Total	1,771,700	1,731,720	(39,980)
Investment Management			
1 - Fund Management Fees (excluding Border to Coast)	748,300	742,012	(6,288)
2 - Fund Management Fees - Border to Coast	3,221,200	3,475,513	254,313
3 - Custody Fees	40,000	37,926	(2,074)
Investment Management Total	4,009,500	4,255,451	245,951
Oversight & Governance			
A - Employee Costs			
Staffing & Accommodation - All other Governance	283,100	275,787	(7,313)
Staffing & Accommodation - Cumbria Pension Board	45,300	48,400	3,100
Training & Travel	2,000	3,925	1,925
B - Pension Fund Committee			
Border to Coast Joint Committee	3,600	0	(3,600)
Training & Travel	3,000	2,479	(521)
Subscriptions and Skills training	15,000	15,381	381
C - Pension Board			
National Scheme Advisory Board	10,500	6,514	(3,986)
Training & Travel	3,000	1,336	(1,665)
Specialist Advice & Work	5,000	1,678	(3,322)
D - Investment consultancy fees			
Independent Advice Pension Committee	30,000	14,246	(15,754)
Professional Advice - ISG & Strategy	40,000	56,381	16,381
Professional Advice - Pooling / Transition Management	37,000	6,072	(30,928)
E - Performance monitoring service			
Custodian Performance Monitoring	30,000	28,119	(1,881)
Independent Performance Monitoring	14,600	15,481	881
F - Shareholder voting Service			
Shareholding Voting Costs	10,000	10,050	50
G - Actuarial fees			
Actuarial Valuation	0	255	255
Actuary Fees - General	120,000	118,435	(1,565)
Actuary Fees - Recharged to Employers	(86,000)	(74,195)	11,805
H - Audit fees			
External Audit	35,000	31,208	(3,792)
Internal Audit	4,000	0	(4,000)
I - Legal & Tax			
Class Action Recovery	12,000	12,000	0
Tax Reclaim Legal Fee	20,000	7,310	(12,690)
Investments	15,000	54,725	39,725
J - Other (including bank charges)			
Bank Charges	4,000	3,891	(109)
Other Fees & Expenses	30,000	23,672	(6,328)
Oversight & Governance Total	686,100	663,150	(22,950)
Grand Total	6,467,300	6,650,321	183,021