



meeting **PENSIONS INVESTMENTS SUB-COMMITTEE**

date **24 MARCH 2006**

agenda item number

REPORT OF THE DIRECTOR OF RESOURCES
CASH FLOW FORECAST

1. Purpose of the Report

- 1.1 To inform the Sub-Committee of estimates of the cash accruing to both Pension Funds during 2005/06 and 2006/07.

2. Background

- 2.1 Appendix A gives a forecast of the cash movement on the Main and Admitted Bodies' funds.
- 2.2 The Main fund's surplus is expected to be lower in 2005/06 due to higher than anticipated pension payments and transfers out. The Magistrates Courts transfer is now expected to happen in 2006/07 thereby slightly reducing the surplus further.
- 2.3 The higher level of transfer values inward on the Admitted Bodies' fund has continued in 2005/06 but the ongoing surplus is currently expected to increase more gradually in future. It is, however, difficult to predict the levels of transfer values.

3. Statutory and Policy Implications

3.1 This report has been compiled after consideration of implications in respect of finance, equal opportunities, personnel, Crime and Disorder, Human Rights and those using the relevant service. Where such implications are material, they have been described in the text of the report.

4. Recommendation

4.1 It is recommended that the report be noted.

**A L DEAKIN
DIRECTOR OF RESOURCES**

Background Papers available for inspection
None.

PROJECTED CASHFLOW FOR THE PENSION FUNDS

	Actual 2004/05 £m	Estimate 2005/06 £m	Estimate 2006/07 £m
MAIN FUND			
Contributions			
Employees Contributions	33	34	35
Employers Contributions	83	86	89
Transfer Values Received	<u>23</u>	<u>20</u>	<u>18</u>
Total Contributions	<u>139</u>	<u>140</u>	<u>142</u>
Benefits			
Pensions and Lump Sums	78	84	86
Transfer Value Paid	14	20	22
Administration and Other	<u>2</u>	<u>3</u>	<u>4</u>
Total Benefits	<u>94</u>	<u>107</u>	<u>112</u>
Net Contributions	45	33	30
Add Investment Income	59	61	62
Less Investment Expenses	<u>-3</u>	<u>-3</u>	<u>-4</u>
Total Surplus	<u>101</u>	<u>91</u>	<u>88</u>
ADMITTED BODIES FUND			
Contributions			
Employees Contributions	1.2	1.2	1.2
Employers Contributions	2.1	2.3	2.4
Transfer Values Received	<u>1.6</u>	<u>1.3</u>	<u>1.0</u>
Total Contributions	<u>4.9</u>	<u>4.8</u>	<u>4.6</u>
Benefits			
Pensions and Lump Sums	1.6	1.7	1.8
Transfer Value Paid	0.9	0.7	0.7
Administration and Other	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>
Total Benefits	<u>2.6</u>	<u>2.5</u>	<u>2.6</u>
Net Contributions	2.3	2.3	2.0
Add Investment Income	1.3	1.5	1.5
Less Investment Expenses	<u>-0.1</u>	<u>-0.1</u>	<u>-0.1</u>
Total Surplus	<u>3.5</u>	<u>3.7</u>	<u>3.4</u>