

Report to: Pension Board

Date of meeting: 5 June 2025

By: Chief Finance Officer

Title: East Sussex Pension Fund (ESPF) 2024/25 Outturn report

Purpose: This report provides the financial outturn of the ESPF for the 2024/25 financial year.

RECOMMENDATION:

The Pension Board is recommended to note the report.

1. Background

1.1 The East Sussex Pension Fund's (the Fund) business plan and budget sets out the direction of travel, objectives and targets to be achieved in the financial management for the administering authority to carry out its statutory duties in a structured way. The Pension Committee is charged with meeting the duties of the Council as administering authority in respect of the Fund.

1.2 At its meeting on the 22 February 2024 the Pension Committee agreed a budget of £4.561m to support the business plan for 2024/25. The budget estimates do not incorporate any provision for investment fees earned by the investment managers since there is limited scope for the Fund to influence these costs. This is due to the nature of the fees being based on factors outside the control of the Fund such as market movements, strategic asset allocation changes and ownership of mandates at pool level.

2. 2024/25 Outturn Position

2.1 The budget requirements for 2024/25 were set at **£4.561m** (£4.463m 2023/24 excluding manager fees) to support the Business Plan activities and administration of the Fund.

2.2 The final outturn position of 2024/25 is **£4.276m**, this is a decrease from the last projected position of £0.038m and also reflects an underspend against the approved budget of £0.325m. The 2024/25 outturn against budget line items is shown in the table below.

2.3 The underspend since the last reported position mostly relates to decrease in the improvement projects costs. In paragraph 2.4 to 2.9 more detail has been provided around the items that have resulted in this reduction.

2024/25 Outturn Report

2023/24 Outturn £000	Item	2024/25 Budget £000	2024/25 Actual Outturn £000	Previous Forecast Outturn £000	Variance to Previous Quarter £000
	Pension Fund Staff Costs				
1,958	Fund Officers	2,436	2,334	2,318	16
1,958	Sub Total	2,436	2,334	2,318	16
	Oversight and Governance Expenses				
365	Investment Advice	448	384	357	27
39	Actuarial Fund Work	51	71	53	18
118	Actuarial Employer Work	89	92	90	2
(119)	Employer reimbursement	(89)	(92)	(90)	(2)
38	Legal Fees	57	24	28	(4)
42	Governance consultancy costs	60	42	50	(8)
115	Audit	120	144	126	18
598	Sub Total	736	665	614	51
	Investment Expenses				
107	Custodian	100	102	101	1
107	Sub Total	100	102	101	1
	Administration Expenses				
489	IT Systems licenses costs and Hardware	487	524	529	(5)
315	Overheads	531	344	353	(9)
246	Admin operational support services	18	91	66	25
106	Improvement projects	87	92	165	(73)
61	Consultancy	20	30	40	(10)
60	Communications	37	7	33	(26)
26	Training	33	13	20	(7)
84	Subscriptions	80	83	79	4
53	Other Expenses	11	12	11	1
1,440	Sub Total	1,304	1,196	1,296	(100)
	Income				
(21)	Other Income	(15)	(21)	(15)	(6)
(21)	Sub Total	(15)	(21)	(15)	(6)
4,082	Total	4,561	4,276	4,314	(38)

2.4 The outturn for improvement projects was reduced in main due to the slippage of the Integrated Service Provider (ISP) Dashboard project that officers budgeted for in this year now not taking place until the next financial year. This is reflected by a saving of £73,000 since the last projected outturn and will be incorporated into forecast outturns for 2025/26.

2.5 The outturn for Communication costs was reduced as a planned activity that would have required sending physical documents to members was reconsidered and the decision to not take this forward was made, rendering this provision unnecessary. This is reflected by a reduction in costs of £26,000 since the last projected outturn.

2.6 The Admin Operational Costs have offset these reductions slightly as clarification has been provided around East Sussex County Council (ESCC) Charges for printing and posting increasing the cost of these services. This is reflected by an increased cost of £25,000 since the last projected outturn.

2.7 The Actuarial Fund work was slightly higher than the previous forecast due to additional work on cessations taking place, which is reflected by an increase in cost of £18,000 since the last projected outturn.

2.8 ACCESS costs for work in preparing the response to the Fit for the Future consultation increased the Investment Advice costs by £27,000 since the last projected outturn.

2.9 There were further low value movements across the remaining budget lines which together resulted in an additional £9,000 reduction to the reported outturn forecast.

3. Conclusion and reasons for recommendation

3.1 The Board is recommended to note the final 2024/25 outturn position.

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