

# Budget 2025/26

March 2025



**Surrey  
Pension  
Team**

---

Providing our customers with  
a better tomorrow

---

# Executive summary

**Operating Costs:** (excluding Investment costs) are forecast to be **£7.2m for 2025/26** (£6.3m in 2024/25). This includes staff costs, overheads and other direct costs. The key factors are:

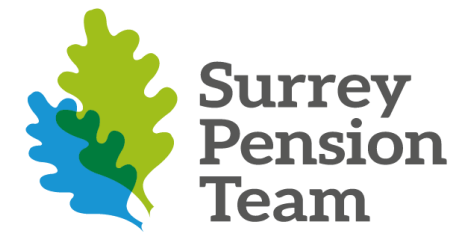
- Staff Costs for establishment are £3.8m (£3.4m 2024/25), and excludes current vacant positions
- SCC Pay Scales for 2025/26 include NI increase and inflation increase assumption of 3%
- Additional staff costs (fixed term) for rechargeable work has been excluded from the forecast
- Triennial valuation year increases actuarial fees and other direct costs.

**Overhead Costs:** are forecast to be £0.9m. These costs are calculated on staff FTE.

**Non-Staff and Direct Costs:** costs include bank staff, training and advisors' fees. The estimated budget spend is £1.9m (£1.9m 2024/25).

**IT Costs:** The forecast for IT (including the pension administration system) was underestimated and the actual expenditure for 24/25 will be £0.9m. The forecast for 25/26 is £0.8m. This includes the annual licence, maintenance and hosting fees.

# Operational Budget



	2023/24	Annualised 2024/25		2025/26
	Actual	Budget	*Forecast	Budget
	£000	£000	£000	£000
Staff Costs	3,158	4,132	3,419	3,796
Special Projects	0	0	0	292
Staff Travel	8	11	13	14
Staff Other Expenses	5	4	3	9
<b>Total Staff Costs</b>	<b>3,171</b>	<b>4,147</b>	<b>3,435</b>	<b>4,111</b>
<b>Total Overheads</b>	<b>815</b>	<b>897</b>	<b>897</b>	<b>944</b>
		0	0	
Other bank staff	86	110	80	215
S151 allocation	22	26	26	8
IT Services	443	0	0	0
<b>Total Non-Staff Costs</b>	<b>551</b>	<b>136</b>	<b>106</b>	<b>223</b>
IT Costs	133	294	871	813
Professional Fees	72	66	62	70
Other Expenses	22	20	18	20
Actuarial Fees	268	420	557	500
Legal Fees	2	40	25	40
Audit	99	90	90	100
Advisors	338	170	155	165
Membership & Subscriptions	112	200	59	92
Training	72	100	37	100
<b>Total Direct costs</b>	<b>1,118</b>	<b>1,400</b>	<b>1,873</b>	<b>1,900</b>
<b>TOTAL</b>	<b>5,654</b>	<b>6,580</b>	<b>6,311</b>	<b>7,178</b>

\*The forecast for 2024/25 is based on the actuals from the first 10 months, adjusted to an annualised equivalent.

# Fund Overview

£m	Actual	Actual	Budget	Forecast		
	2023/24	YTD	2024/25	2025/26	2026/27	2027/28
Employer contributions	161	129	159	165	167	165
Member contributions	52	30	49	53	55	48
<b>Total contributions</b>	<b>213</b>	<b>159</b>	<b>208</b>	<b>218</b>	<b>222</b>	<b>213</b>
Transfers in	23	24	37	25	25	22
<b>Total income for pensions</b>	<b>236</b>	<b>183</b>	<b>245</b>	<b>243</b>	<b>247</b>	<b>235</b>
Pensions	(184)	(188)	(177)	(182)	(184)	(188)
Commutation/lump sum retirement	(27)	(27)	(21)	(22)	(23)	(21)
Other	(5)	-	(10)	(6)	(5)	(3)
<b>Total benefits</b>	<b>(216)</b>	<b>(215)</b>	<b>(208)</b>	<b>(210)</b>	<b>(212)</b>	<b>(212)</b>
Transfers out	(31)	(36)	(37)	(30)	(30)	(31)
<b>Total expenditure for pensions</b>	<b>(247)</b>	<b>(251)</b>	<b>(245)</b>	<b>(240)</b>	<b>(242)</b>	<b>(243)</b>
Investment income	38	30	45	41	42	40
Taxes on income	(1)		(1)	(1)	(1)	(1)
Investment expenses	(8)	(6)	(9)	(10)	(10)	(10)
<b>Net direct investment income</b>	<b>30</b>	<b>24</b>	<b>35</b>	<b>30</b>	<b>31</b>	<b>29</b>
Administrative expenses	(4)	(3)	(5)	(4)	(6)	(6)
Oversight/governance costs	(2)	(2)	(2)	(3)	(3)	(3)
Non-recurring items/PYA			-	-	-	-
<b>Total operational cost</b>	<b>(6)</b>	<b>(5)</b>	<b>(7)</b>	<b>(7)</b>	<b>(9)</b>	<b>(9)</b>
<b>Net income</b>	<b>13</b>	<b>(50)</b>	<b>28</b>	<b>24</b>	<b>27</b>	<b>12</b>
<b>Reconciliation of fund value</b>						
Net income	13	(50)				
Change in Market Value	560	247				
Net decrease in fund value	573	197				
Opening fund value	5,291	5,864				
<b>Closing fund value</b>	<b>5,864</b>	<b>6,061</b>				