

FUND ACCOUNT BUDGET
Year ended 31 March 2018

INCOME

Employer contributions
Employee contributions
Total contributions receivable

Total Transfers In

Investment Income

Fixed Interest UK & O/S
Equities UK & O/S
Index Linked UK & O/S
Property Rent
Pooled Investment Vehicles
Interest
Tax Reclaimed
Securities Lending
Foreign Exchange
Other investment income

Total Investment Income

TOTAL INCOME

EXPENDITURE

Pensions
Lump sums
Transfers out
Refunds
Total benefits payable

Administrative expenses

Local Pensions Partnership
Lancashire County Council recharges

Investment management expenses

Local Pensions Partnership
Transition costs
Other investment managers

Oversight and Governance expenses

Performance measurement fees
Other advisory fees (including abortive fees)
Actuarial fees
Custody fees
Audit fees
Legal & professional fees
LCC recharges
Bank charges
Property expenses

TOTAL EXPENDITURE

MONEY AVAILABLE FOR INVESTMENT BEFORE REALISED AND UNREALISED
PROFITS AND LOSSES ON INVESTMENTS

Money available as a % of total income

ACTUAL Year ended 31 March 2016 £'000	BUDGET Year ended 31 March 2018 £'000
(183,738)	(189,753)
(54,831)	(56,722)
(238,569)	(246,475)
(5,513)	(6,650)
(3,295)	(2,453)
(41,602)	
(1,146)	(894)
(29,216)	(32,000)
(22,329)	(70,231)
(445)	(319)
(1,113)	(1,242)
(1,495)	0
2,283	0
(771)	(2,088)
(99,130)	(109,227)
(343,212)	(362,352)
200,179	208,880
45,600	45,750
11,753	13,750
736	580
258,268	268,960
4,156	3,576
4,156	156
	3,732
0	6,142
	1,732
32,468	26,082
32,468	33,956
87	90
5,275	4,300
0	50
200	100
52	52
785	600
572	645
8	8
1,720	2,500
8,699	8,345
303,591	314,994
(39,620)	(47,359)
12%	13%

Notes

Includes pension strain and deficit contributions

Salary increase 1%. Contribution increase in line with preliminary valuation results

Equities transitioned into LPP pool

Increase reflects transition in of global equities. LPP forecast an increase in revenue on the Global Equity Fund of c.£6m per annum.

Assume no stock lending opportunity following transition of global equities.

Foreign exchange movement not budgeted

In line with forecast for 2016/17. Return of funds on transition and other miscellaneous cash receipts.

Increase in line with CPI

Pensions Administration service provided by LPP

LCC financial resources service

2017/18 £17.03 per member (2016/17 £16.93, 2015/16 £21.08) increased for CPI

Budget on the basis of assets under management. Average charge of 9.1 b.p of assets under management

Split between LPP and other investment managers will move with transition

Independent advisors to Investment Panel, Board expenses

£50k per annum for triennial valuation

Custody fees expected to reduce in line with assets under custody.

Assumed constant until end of current contract

External legal and professional fees

LCC Democratic Services, Legal Services and Financial Resources services

Various including valuation fees, pre-acquisition planning & design costs, letting fees, Knight Frank fees