

Lancashire County Pension Fund  
Fund Account Budget Monitoring - year ended 31 March 2018

	Budget 9 months to 31-Dec-17 £'000	Actual 9 months to 31-Dec-17 £'000	Budget variance 9 months to 31-Dec-17 £'000 (Favourable) / Adverse	Full year budget 2017/18 £'000	Full year forecast to 2017/18 £'000	Full year variance 2017/18 £'000 (Favourable) / Adverse	Full year variance 2017/18 %	Note
INCOME								
Contributions Receivable								
From Employers	(142,315)	(132,977)	9,338	(189,753)	(184,256)	5,497		
From Employees	(42,541)	(42,420)	121	(56,722)	(56,560)	161		
Total contributions receivable	(184,856)	(175,397)	9,460	(246,475)	(240,816)	5,659	-2%	1
Transfers in	(4,988)	(9,109)	(4,122)	(6,650)	(12,146)	(5,496)	83%	
Total Investment Income	(81,920)	(114,394)	(32,474)	(109,227)	(141,271)	(32,044)	29%	
TOTAL INCOME	(271,764)	(298,900)	(27,136)	(362,352)	(394,233)	(31,882)	9%	
EXPENDITURE								
Benefits Payable								
Pensions	156,660	159,966	3,306	208,880	213,288	4,408		
Lump Sum Benefits	34,313	29,294	(5,018)	45,750	39,059	(6,691)		
Total benefits payable	190,973	189,260	(1,712)	254,630	252,347	(2,283)		
Transfers out	10,313	13,143	2,831	13,750	17,525	3,775		
Refund of Contributions	435	451	16	580	601	21		
Contributions Equivalent Premium	0	(25)	(25)	0	(34)	(34)		
Fund administrative expenses								
Administrative and processing expenses:								
LPP administrative expenses	2,682	2,242	(440)	3,576	3,049	(527)		2
Other administrative expenses	106	237	131	141	115	(26)		3
Write off of bad debts	11	15	4	15	20	5		
Total administrative expenses	2,799	2,494	(305)	3,732	3,185	(548)	-15%	
Investment management expenses								
Investment management fees:								
LPP directly invoiced investment management fees	2,920	2,346	(573)	3,893	3,048	(845)		4
Transition costs	1,299	84	(1,215)	1,732	1,220	(512)		5
Other investment management fees including non-invoiced fees on pooled investments	20,873	16,559	(4,315)	27,831	24,697	(3,134)		6
Commission / Agents charges	375	979	604	500	1,306	806		7
Total investment management expenses	25,467	19,968	(5,499)	33,956	30,271	(3,685)	-11%	
Oversight and Governance expenses								
Performance measurement fees (including Panel)	68	47	(21)	90	84	(6)		
IAS19 advisory fees	75	106	31	100	142	42		
Other advisory fees (including abortive fees)	3,150	2,564	(586)	4,200	3,419	(781)		
Actuarial fees	38	39	1	50	52	2		
Custody fees	75	57	(18)	100	86	(14)		
Audit fees	39	42	3	52	52	0		
Legal & professional fees	450	205	(245)	600	273	(327)		
LCC recharges	484	481	(3)	645	428	(217)		8
Bank charges	6	4	(2)	8	5	(3)		
Property expenses	1,875	2,050	175	2,500	2,734	234		
Total oversight and governance expenses	6,259	5,595	(664)	8,345	7,273	(1,072)	-13%	
TOTAL EXPENDITURE	236,245	230,887	(5,358)	314,994	311,169	(3,825)	-1%	
(SURPLUS) / DEFICIT BEFORE REALISED AND UNREALISED PROFITS AND LOSSES ON INVESTMENTS	(35,519)	(68,013)	(32,494)	(47,358)	(83,065)	(35,707)	75%	

Notes	
1 - Total investment income	Includes dividend income reinvested which is offset by change in market value 'below the line'.
2 - LPP administrative expenses	Budget includes £400k for support & additional services not yet invoiced
3 - Other administrative expenses	LCC recharge of treasury management function
4 - LPP directly invoiced investment management	Budget realignment for 'fund of fund' fees now shown against pooled assets. Saving on this line due to transition of assets into pool.
5 - Transition costs	Legal fees associated with transition of investments. Will be incurred by LPP and recharged to LCPF
6 - Other investment management fees including	Expect £2.2m adverse variance due to value of fund increase. Awaiting enhanced database from LPP. Have included additional £5m in forecast for fees that don't run in line with previous quarters.
7 - Commission / agents charges	With-holding tax paid
8 - LCC recharges	£353k LCC finance recharge + £65k democratic services + £10k legal fees. No additional costs anticipated