|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Lancashire County Pension Fund** |  |  |  |  |
| **Fund Account Budget Monitoring - year ended 31 March 2018** |  |  |  |  |
|  |  |  |  |  |
|  | **Budget 2017.18** | **Actual 2017.18** | **Budget variance** | **Comments** |
|  | **Q1** | **Q1** | **Q1** |  |
|  | **£'000** | **£'000** | **£'000** |  |
|  |  |  | **(Favourable) / Adverse** |  |
| **INCOME** |  |  |  |  |
|  |  |  |  |  |
| **Contributions Receivable** |  |  |  |  |
| From Employers | (47,438) | (47,829) | (391) |  |
| From Employees | (14,180) | (14,067) | 113 |  |
| **Total contributions receivable** | **(61,619)** | **(61,896)** | **(278)** |  |
|  |  |  |  |  |
| **Transfers In** | **(1,663)** | **(3,409)** | **(1,746)** |  |
|  |  |  |  |  |
| **Investment Income** | **(27,307)** | **(28,961)** | **(1,655)** |  |
|  |  |  |  |  |
| **TOTAL INCOME** | **(90,588)** | **(94,267)** | **(3,679)** |  |
|  |  |  |  |  |
| **EXPENDITURE** |  |  |  |  |
|  |  |  |  |  |
| **Benefits Payable** |  |  |  |  |
| Pensions | 52,220 | 53,048 | 828 |  |
| Lump Sum Benefits | 11,438 | 7,422 | (4,016) |  |
| **Total benefits payable** | **63,658** | **60,470** | **(3,188)** |  |
|  |  |  |  |  |
| **Transfers out** | **3,438** | **2,224** | **(1,213)** |  |
|  |  |  |  |  |
| **Refund of Contributions** | **145** | **123** | **(22)** |  |
|  |  |  |  |  |
| **Contributions Equivalent Premium** | **0** | **(11)** | **(11)** |  |
|  |  |  |  |  |
| **Fund administrative expenses** |  |  |  |  |
| LPP administrative expenses | 894 | 809 | (85) | Favourable variance against support and additional services (£400k p.a.) |
| Other administrative expenses | 35 | 8 | (27) | Awaiting invoice for BTLS EPIC system enhancements for contribution collection. |
| Write off of bad debts | 4 | 2 | (1) |  |
| **Total administrative expenses** | **933** | **819** | **- 114** |  |
|  |  |  |  |  |
| **Investment management expenses** |  |  |  |  |
| LPP investment management fees | 1,536 | 1,915 | 380 | Mitigated in part by favourable variance against 'other investment manager' fees. Phasing of transition of investments. |
| Transition costs | 433 | 0 | (433) | No transition costs incurred in year to date (£2.0m recognised in 16/17 for global equities transition). |
| Other investment management fees | 6,520 | 6,282 | (238) |  |
| **Total investment management expenses** | **8,489** | **8,198** | **(292)** |  |
|  |  |  |  |  |
| **Oversight and Governance expenses** |  |  |  |  |
| Performance measurement fees (including Panel) | 23 | (10) | (32) |  |
| IAS19 advisory fees | 25 | 54 | 29 |  |
| Other advisory fees (including abortive fees) | 1,050 | 1,002 | (48) |  |
| Actuarial fees | 13 | 4 | (8) |  |
| Custody fees | 25 | 20 | (5) |  |
| Audit fees | 13 | (29) | (42) |  |
| Legal & professional fees | 150 | 51 | (99) |  |
| LCC recharges | 161 | 72 | (90) | Actuals include recharge of corporate finance and legal staff. Budgeted democratic services invoice not yet received or recognised. £300k other income to be recharged by LCC is under review. |
| Bank charges | 2 | 0 | (2) |  |
| Property expenses | 625 | 517 | (108) |  |
| **Total oversight and governance expenses** | **2,086** | **1,681** | **(405)** |  |
|  |  |  |  |  |
| **TOTAL EXPENDITURE** | **78,748** | **73,505** | **(5,244)** |  |
|  |  |  |  |  |
| **(SURPLUS) / DEFICIT BEFORE REALISED AND UNREALISED PROFITS AND LOSSES ON INVESTMENTS** | **(11,840)** | **(20,762)** | **(8,922)** |  |