

| <b>Three Year Budget</b>           | Budget for<br>2015/16<br>£ | Forecast<br>2015/16<br>£ | Budget<br>2016/17<br>£ | Budget<br>2017/18<br>£ | Budget<br>2018/19<br>£ |
|------------------------------------|----------------------------|--------------------------|------------------------|------------------------|------------------------|
| Investment Expenses                | 68,400                     | 68,400                   | 63,100                 | 61,200                 | 61,800                 |
| Administration Costs               | 68,400                     | 73,400                   | 83,900                 | 82,100                 | 83,300                 |
| Communication Costs                | 67,800                     | 47,800                   | 56,700                 | 57,200                 | 57,800                 |
| Payroll Communication Costs        | 76,600                     | 42,400                   | 39,000                 | 39,500                 | 40,000                 |
| Information Systems                | 268,200                    | 302,400                  | 271,400                | 276,800                | 282,400                |
| Salaries                           | 1,534,800                  | 1,451,200                | 1,827,700              | 1,887,000              | 1,874,700              |
| Central Allocated Costs            | 402,100                    | 392,100                  | 371,100                | 371,100                | 371,100                |
| IT Strategy                        | 147,600                    | 147,600                  | 158,600                | 87,200                 | 0                      |
| Recharges: Administration          | (221,800)                  | (222,200)                | (214,300)              | (218,600)              | (222,800)              |
| <b>Total Administration</b>        | <b>2,412,100</b>           | <b>2,303,100</b>         | <b>2,657,200</b>       | <b>2,643,500</b>       | <b>2,548,300</b>       |
| Governance Costs                   | 295,500                    | 295,700                  | 418,300                | 293,000                | 291,100                |
| - Members' Allowances              | 40,000                     | 40,000                   | 40,000                 | 40,400                 | 40,800                 |
| - Independent Members' Costs       | 19,300                     | 19,300                   | 45,300                 | 25,600                 | 25,800                 |
| Compliance Costs                   | 428,000                    | 423,300                  | 681,500                | 489,300                | 437,100                |
| Compliance Costs recharged         | (250,000)                  | (250,000)                | (250,000)              | (252,500)              | (255,000)              |
| <b>Governance &amp; Compliance</b> | <b>532,800</b>             | <b>528,300</b>           | <b>935,100</b>         | <b>595,800</b>         | <b>539,800</b>         |
| <b>Pensions Board</b>              | <b>37,400</b>              | <b>34,400</b>            | <b>40,600</b>          | <b>41,100</b>          | <b>41,700</b>          |
|                                    | <b>2,982,300</b>           | <b>2,865,800</b>         | <b>3,632,900</b>       | <b>3,280,400</b>       | <b>3,129,800</b>       |
| Global Custodian Fees              | 84,100                     | 84,200                   | 87,500                 | 89,300                 | 91,000                 |
| Investment Manager Fees            | 18,532,300                 | 17,179,200               | 17,229,100             | 18,611,400             | 18,797,500             |
| <b>Investment Fees</b>             | <b>18,616,400</b>          | <b>17,263,400</b>        | <b>17,316,600</b>      | <b>18,700,700</b>      | <b>18,888,500</b>      |
| <b>TOTAL COST TO FUND</b>          | <b>21,598,700</b>          | <b>20,129,200</b>        | <b>20,949,500</b>      | <b>21,981,100</b>      | <b>22,018,300</b>      |

The 2015/16 budget includes additional approvals made during 2015/16

| <b>The 2016/17 - 2018/19 Budget includes the following Savings and One Off expenditure</b> |          |          |         |
|--|----------|----------|---------|
|  | 2016/17  | 2017/18  | 2018/19 |
| <b>One Off Expenditure</b>   |          |          |         |
| IT Strategy  | 158,600  | 87,200   |         |
| Pooling  | 80,000   | 20,000   |         |
| Independent Member Recruitment   | 25,800   |          |         |
| Triennial valuation  | 250,000  | 50,000   |         |
| <b>Savings</b>   |          |          |         |
| Payroll and Communications -   | 47,400 - | 39,000 - | 32,300  |
| Central Services -   | 33,000 - | 30,100 - | 30,100  |

| <b>Cash Flow Forecast</b>                                   |           | <b>Estimated</b>        |                  |                  |                  |
|---|-----------|-------------------------|------------------|------------------|------------------|
| (Excluding Administration and Investment costs)             |           | <b>Out-turn 2015/16</b> | <b>2016/17</b>   | <b>2017/18</b>   | <b>2018/19</b>   |
|   |           | <b>£'000</b>            | <b>£'000</b>     | <b>£'000</b>     | <b>£'000</b>     |
| <b>Benefits Outflows</b>                                    |           |                         |                  |                  |                  |
| Benefits  | Pensions  | (128,904)               | (129,664)        | (135,654)        | (141,920)        |
|   | Lump sums | (25,796)                | (34,568)         | (35,260)         | (35,965)         |
| <b>Total Benefits Outflows</b>                              |           | <b>(154,700)</b>        | <b>(164,232)</b> | <b>(170,913)</b> | <b>(177,885)</b> |
| <b>Contributions Inflows</b>                                |           |                         |                  |                  |                  |
| Deficit recovery  |           | 23,514                  | 14,109           | 94,719           | 17,071           |
| Future service Contributions                                |           | 114,399                 | 121,262          | 128,538          | 136,250          |
| <b>Total Contributions</b>                                  |           | <b>137,912</b>          | <b>135,371</b>   | <b>223,258</b>   | <b>153,322</b>   |
| Net Cash Flow (excluding Administration & Investment costs) |           | (16,787)                | (28,861)         | 52,344           | (24,563)         |
| Investment income received as cash                          |           | 14,954                  | 14,954           | 14,954           | 14,954           |
| Net Pension Transfers In / Out                              |           | (4,818)                 | 0                | 0                | 0                |
| Cost of administering the Fund                              |           | (3,545)                 | (3,545)          | (3,545)          | (3,545)          |
| <b>Net Cash Flow (Out-Flow)</b>                             |           | <b>(10,197)</b>         | <b>(17,452)</b>  | <b>63,753</b>    | <b>(13,155)</b>  |

Note : Transfers in and out forecast assumed to net to zero