Appendix 4 - Variances against the forecast of investments and administration expenses based on original setting of assumptions.

The following tables provide budget and current forecast of the Fund account, investment and administration income and expenditure for the current year.

	2025/26 Budget	2025/26 Forecast	Variance	Comments
	£000	£000	£000	
Contributions[1]	169,000	165,200	(3,800)	£2m annual deficit from one of employers was included in budget, but it is no longer included in Forecast as per discussion between the Fund and the employer.
Transfers in from other pension funds[2]	14,600	15,000	400	Demand lead
TOTAL INCOME	**183,600**	**180,200**	**(3,400)**	
Benefits payable[3]	(159,000)	(159,000)	-	
Payments to and on account of leavers	(14,900)	(15,100)	(200)	Demand lead
TOTAL PAYMENTS	**(173,900)**	**(174,100)**	**(200)**	
Net additions/(withdrawals) from dealings with members	**9,700**	**6,100**	**(3,600)**	
Management expenses	(6,642)	(6,678)	(36)	See below
Management expenses (Non-invoiced)[4]	(22,100)	(26,080)	(3,980)	Calculated using fees from prior year plus actuarial growth assumption on AUM at June 25 to March 26
TOTAL MANAGEMENT EXPENSES	**(28,742)**	**(32,758)**	**(4,016)**	
TOTAL INCOME LESS EXPENDITURE	**(19,042)**	**(26,658)**	**(7,616)**	
Investment income[5]	84,000	84,200	200	Actual income received to Q1 plus three estimated quarters.
Taxes on income.	-	(66)	(66)	Actual taxes on income to June 25
Profit and (loss) on disposal of investments and changes in the	235,000	181,900	(53,100)	Actual Q1 return followed by actuarial long term growth assumption

Appendix 4 - Variances against the forecast of investments and administration expenses based on original setting of assumptions.

market value of investments[6]				
NET RETURN ON INVESTMENTS	**319,000**	**266,034**	**(52,966)**	
Net increase/(decrease) in net assets available for benefits during the year	**299,958**	**239,376**	**(60,582)**	

Appendix 4 - Variances against the forecast of investments and administration expenses based on original setting of assumptions.

Management Expenses

	2025/26 Budget	2025/26 Forecast	Variance	Comments
	£000	**£000**	**£000**	
Total administration expenses	(3,748)	(3,700)	48	See below
Total governance expenses	(1,408)	(1,492)	(84)	ACCESS fee in Q1 was much higher than budget calculated based on historical data, due to the volume of activities from the Fit for Future
Total investment expenses	(1,486)	(1,486)	-	
TOTAL MANAGEMENT EXPENSES	**(6,642)**	**(6,678)**	**(36)**	

Administration Expenses

	2025/26 Budget	2025/26 Forecast	Variance	Comments
	£000	**£000**	**£000**	
Staff related	(2,783)	(2,726)	57	More vacancy in the first 4 months than what was incorporated in budget formulation
Altair administration and payroll system	(488)	(488)	-	
Data Assurance	(15)	(15)	-	
Communications	(37)	(37)	-	
Other non pay and income	279	270	(9)	
County Council overhead recovery	(704)	(704)	-	
TOTAL ADMINISTRATION EXPENSES	**(3,748)**	**(3,700)**	**48**	

[1] Contributions have been calculated using the Employer contribution rate and salary increase assumptions of 3.2% set by the actuary at the 2022 Valuation.

Appendix 4 - Variances against the forecast of investments and administration expenses based on original setting of assumptions.

[2] Transfers in/out have been calculated using an average of 3-5 years (excluding group transfers).

[3] 2025/26 benefits payable have been calculated using average membership increases, estimated PI of 1.7% and pension increases assumptions of 2.7% set by the actuary in subsequent years.

[4] Management expenses (non-invoiced) have been calculated using investment managers actual fees plus the actuarial assumption of investment growth +4.9% per annum.

[5] Investment income have been calculated based on the 2024/25 forecast by applying the actuarial assumption of investment growth +4.9% per annum.

[6] Return on Investments have been calculated by applying the actuarial assumption of investment growth +4.9% per annum.