

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

The following tables provide budgets of the Fund account, investment and administration income and expenditure for the next three years.

	2024/25 Budget	2024/25 Forecast	2025/26 Budget	2026/27 Budget	2027/28 Budget
	£000	£000	£000	£000	£000
Contributions ¹	155,000	161,000	169,000	161,000	166,000
Transfers in from other pension funds ²	18,000	15,700	14,600	15,000	15,400
TOTAL INCOME	173,000	176,700	183,600	176,000	181,400
Benefits payable ³	(149,000)	(155,000)	(159,000)	(167,000)	(176,000)
Payments to and on account of leavers ²	(13,000)	(15,900)	(14,900)	(15,300)	(15,700)
TOTAL PAYMENTS	(162,000)	(170,900)	(173,900)	(182,300)	(191,700)
Net additions/(withdrawals) from dealings with members	11,000	5,800	9,700	(6,300)	(10,300)
Management expenses (Invoiced)	(5,903)	(5,924)	(6,642)	(6,987)	(7,296)
Management expenses (Non-invoiced) ⁴	(21,300)	(21,700)	(22,100)	(23,200)	(24,300)
TOTAL MANAGEMENT EXPENSES	(27,203)	(27,624)	(28,742)	(30,187)	(31,596)
TOTAL INCOME LESS EXPENDITURE	(16,203)	(21,824)	(19,042)	(36,487)	(41,896)
Investment income ⁵	48,000	72,400	84,000	88,000	92,000
Taxes on income		(64)	-	-	-
Profit and (losses) on disposal of investments and changes in the market value of investments ⁶	219,000	240,000	235,000	246,000	258,000
NET RETURN ON INVESTMENTS	267,000	312,336	319,000	334,000	350,000
Net increase/(decrease) in net assets available for benefits during the year	250,797	290,512	299,958	297,513	308,104

Management Expenses

	2024/25 Budget	2024/25 Forecast	2025/26 Budget	2026/27 Budget	2027/28 Budget
	£000	£000	£000	£000	£000
Total administration expenses	(3,546)	(3,269)	(3,748)	(3,950)	(4,108)
Total governance expenses	(1,072)	(1,249)	(1,408)	(1,478)	(1,552)
Total investment expenses	(1,285)	(1,406)	(1,486)	(1,559)	(1,635)
TOTAL MANAGEMENT EXPENSES	(5,903)	(5,924)	(6,642)	(6,987)	(7,296)

Administration Expenses

	2024/25 Budget	2024/25 Forecast	2025/26 Budget	2026/27 Budget	2027/28 Budget
	£000	£000	£000	£000	£000
Staff related	(2,458)	(2,444)	(2,783)	(2,872)	(2,964)
Altair administration and payroll system	(413)	(430)	(488)	(505)	(523)
Data Assurance	(22)	(19)	(15)	(16)	(17)
Communications	(87)	(81)	(37)	(39)	(41)
Other non-pay and income	15	286	279	221	212
County Council overhead recovery	(581)	(581)	(704)	(739)	(776)
TOTAL ADMINISTRATION EXPENSES	(3,546)	(3,269)	(3,748)	(3,950)	(4,108)

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. Contributions in 2026/27 and 2027/28 are subject to change due to the 2025 valuation. However, 2% reduction p.a. in ER's contributions is included for prudence with anticipation of reductions in rate from 2025 valuation. The 2024/25 forecasted variance is due to actual salary increases being much higher than the actuarial salary increase assumption used from the 2022 valuation.

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.