

## Appendix I – 2019/20 BUDGET/FORECAST AND PROJECTED SPEND

The Budget and Projected Spend for NESPF Administration Expenses are shown below:

	Notes	Full Year Budget 2019/20	Budget to 30/06/19	Actual Spend to 30/06/19	Accrual to 30/06/19	Amended Spend to 30/06/19	Over or (Under) to 30/06/19	Proj Annual Spend 2019/20	Proj Over or (Under) Spend 2019/20
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Administrative Staff Costs	1	1,352	676	287	289	576	(100)	1,190	(162)
Information Technology		462	231	268	87	355	124	451	(11)
Support Services		107	53	26	28	54	1	109	2
Accommodation		92	46	0	46	46	0	92	0
Printing & Publications		23	12	7	2	9	(3)	23	0
<b>Administration Expenses Total</b>		<b>2,036</b>	<b>1,018</b>	<b>588</b>	<b>452</b>	<b>1,040</b>	<b>22</b>	<b>1,865</b>	<b>(171)</b>

**Note (Spend Variance  $\pm$  5%):**

1. Under spend – Budgeted FTE 37 versus Actual FTE 31.5

## Appendix I – 2019/20 BUDGET/FORECAST AND PROJECTED SPEND (continued)

The Budget and Projected Spend for NESPF Oversight & Governance Expenses are shown below:

	Notes	Full Year Budget 2019/20	Budget to 30/06/19	Actual Spend to 30/06/19	Accrual to 30/06/19	Amended Spend to 30/06/19	Over or (Under) to 30/06/19	Proj Annual Spend 2019/20	Proj Over or (Under) Spend 2019/20
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Investment Staff Costs	1	236	118	51	42	93	(25)	200	(36)
Pension Fund Committee		13	7	1	1	2	(5)	14	1
Pension Board		4	2	0	2	2	0	4	0
External Audit Fee		41	20	5	20	25	5	45	4
Internal Audit Fee		10	5	0	5	5	0	10	0
Actuarial Fees		130	65	25	25	50	(15)	130	0
General Expenses		167	83	43	0	43	(40)	169	2
<b>Oversight &amp; Governance Expenses Total</b>		<b>601</b>	<b>300</b>	<b>125</b>	<b>95</b>	<b>220</b>	<b>(80)</b>	<b>572</b>	<b>(29)</b>

**Note (Spend Variance ± 5%):**

1. Under spend – see previous note.

## Appendix I – 2019/20 BUDGET/FORECAST AND PROJECTED SPEND (continued)

The Forecast and Projected Spend for NESPF Investment Management Expenses are shown below:

	Notes	Full Year Forecast 2019/20	Forecast to 30/06/19	Actual Spend to 30/06/19	Accrual to 30/06/19	Amended Spend to 30/06/19	Over or (Under) to 30/06/19	Proj Annual Spend 2019/20	Proj Over or (Under) Spend 2019/20
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Investment Management		11,380	5,690	590	5,100	5,690	0	11,381	1
Performance Fees		6,524	3,262	0	3,262	3,262	0	6,524	0
Direct Property Expenses		534	267	295	0	295	28	534	0
Transaction Costs		1,507	753	336	146	482	(271)	964	(543)
Custody Fees		138	69	32	35	67	(2)	139	1
<b>Investment Management Expenses Total</b>		<b>20,083</b>	<b>10,041</b>	<b>1,253</b>	<b>8,543</b>	<b>9,796</b>	<b>(245)</b>	<b>19,542</b>	<b>(541)</b>

### Note (Spend $\pm$ 5%):

- Transaction Costs are reported by the Custodian (HSBC) as at the reporting date then projected for the remaining part of the year. Albeit a useful guide, using past transaction activity as a basis for projecting costs carries the risk of over/under stating the spend for the year. If current transaction activity continues then it is anticipated that there will be an underspend.

2(a). Transaction Costs are reported by the Custodian (HSBC).

**Analysis of Transaction Costs for the period 1 April 2019 to 30 September 2019:**

	Commission (£)	Expenses (£)	Tax (£)	Total (£)
Equities	119,291.06	1,068.45	164,830.87	285,190.38
Pooled – Unit Trust	0	196,946.66	0	196,946.66
<b>Grand Total (£)</b>	<b>119,291.06</b>	<b>198,015.11</b>	<b>164,830.87</b>	<b>482,137.04</b>

**Important to Note:**

Appendix I is a forecast of costs for Investment Management Expenses rather than a traditional budget. This is due to the level of estimation involved and the extent of the unknown, especially given that Investment Management and Performance Fees are based upon an unpredictable Market Value. This terminology has been adopted following discussions with the CIPFA Pensions Network.