

APPENDIX 2

Expenditure	Change £000	Policy £000	Contractual & Inflation £000	Other £000	Significant components of changes
Staffing	691	514	177	-	125 Provision for 2% pay award and related pension costs 100 Development of management structure in response to pooling and other LGPS related demands 52 Salary Scale incremental advances 414 Net effect of introduction of 10 new posts: Admin +10 Investments +1 Local Investments, Legal & Accountancy +2 Employer Funding -3
Indirect on Costs	30	-	-	30	Increase in provision for staff training.
Membership of Trade Organisations	9	-	9	-	Inflationary increases
Travel and Subsistence	8	-	8	-	Inflationary increases
Premises	(27)	-	-	(27)	Reduction in required provision for business rates
Postage, Printing, Telephone	(11)	(11)	-	-	Small reduction in provision based on reduced postage volumes and savings generated from introduction of new MFD contract.
Office Equipment and Software	317	313	4	-	143 Estimate of Increase in Altair fees re expected increase in users & members. 40 Provision for outsourced hosting of Agresso 130 Estimate of Yr. 1 costs for implementation of i-connect 4 Small inflationary increases in current license agreements
Bank Charges & Nominee Fees	28	-	28	-	Increased custodian bank charges due to increase in value of Fund assets being held.
Investment	3,196	3,300	(104)	-	634 Estimate of contractual/inflation increase in UBS and L&G public

Management Fees					<p>market management fees</p> <p>2,600 Estimate of pre-approved Factor Based Investment, could be managed by either UBS or L&G.</p> <p>700 Estimate of increase in replacement fee for new public markets manager (replacement for Capital)</p> <p>335 La Salle property manager increased fee</p> <p>1,100 Reduction in expected fee for Investec due to new fee agreement</p> <p>27 Other minor contractual/inflation increases</p>
Actuary and Professional Fees	360	120	254	(14)	<p>254 Estimated actuary's fees relating to 2019 valuation</p> <p>60 Estimated fees for employer covenant strength review (part of 2019 valuation)</p> <p>60 Estimated increase in professional fees relating to member tax lifetime allowance advice</p> <p>14 Reduction in treasury management advice fees</p>
Performance Measurement Services	13	13	-	-	Increased provision to include investment data management review.
Central establishment charges	8	-	8	-	Inflationary increases
Recovery of Management and Legal Fees	(445)	(445)	-	-	<p>300 Increase in base rates used for recharge of legal staff time to investment assets</p> <p>145 Increase in recharges to be made to external vehicles GLIL and Matrix Homes.</p>
Admin Fees	20	20	-	-	Decrease in expected number of admitted bodies joining the Fund in 2019/20.
Commission recapture	50	-	50	-	Reduced expectation of income based on current market conditions.
	4,247	3,824	434	(11)	