

APPENDIX 1A

Summary of main budget variances: Forecast for full year at 31 January 2015

Variations Analysis of the full year forecast expenditure or income, against budget to the year end.

Expenditure Heading	Variance £*	Most Significant Reasons for Variance
Salaries	(75,000)	Reduced salaries expenditure due to:- - the partial and temporary secondment of the Payroll Manager and Support Officer to the Council's Payroll section to provide support during a major project. (Those parts of their roles that they no longer cover are being temporarily covered by members of the management team). - the secondment of Project Officer to Bristol City Council to assist with pension matters.
Communications	(45,000)	Savings were achieved by including the Change in Scheme Booklet within the Avon Pension News Summer edition, sending out At Ease with pensioner's payslips, producing the Annual Report in electronic format and reducing costs on the Employer's Conference. There were also savings in the development of the Website by carrying it out "in house".
Administration	(120,000)	

Investment Governance	25,000	The forecast spend on investment advisory fees has increased by £25,000 to reflect the costs of retendering the DGF mandate.
Compliance Costs	67,500	The increase in expenditure on Actuarial fees has been offset by increased recharges of actuarial fees to employers.
Compliance Costs Recharged	(67,500)	
Investment Manager Fees	(465,000)	Investment Manager fees are forecast to be below budget. This is largely because the budget provided for the full year fees on the infrastructure mandate although now it is not expected that there will any fees payable on this mandate this year. The termination of the mandate with Barings will also lead to a reduction in fees until a new manager is appointed. The forecast of performance related fees has been updated to reflect the performance of managers. This offsets part of the savings on the infrastructure mandate.

Expenditure Outside Direct Control	(440,000)
Total Forecast Underspend	(560,000)

*() variance represents an under-spend, or recovery of income over budget
+ve variance represents an over-spend, or recovery of income below budget