

Summary of Budget Variances: Forecast for year, as at 31st July 2010

APPENDIX 2

Variances Analysis of the full year budget against forecasted outturn to the year end

Expenditure Heading	Amount of Variance *	Most Significant Reasons for Variance
Communications Costs	12,000	The initial one off costs of the Heywood's Member Self Services system (£50,000) will all be charged to the current year. The savings generated by this system are expected to recoup its cost over the next two years. This additional expenditure in the current year will be partially offset by savings in the cost of Guides and Leaflets.
Custody Fees	-4,000	A small reduction in custody fees is expected as a result of the appointment of a Global Equity Manager taking place later than was assumed in the preparation of the budget.
Investment Manager Fees:	-379,000	A reduction in ad valorem fees is expected as a result of the appointment of a Global Equity Manager taking place later than was assumed in the preparation of the budget. Note: £127,000 of the budgeted fees is due to performance related fees.
Compliance Costs	-23,000	Compliance costs are expected to be reduced by £23,000 as a result of reduced audit fees announced in the Audit Fee letter presented to the Committee in June. Compliance costs recharged relate mainly to actuarial costs.

-ve variance represents an under-spend or recovery of income over budget

+ve variance represents an over-spend or recovery of income below budget