

Summary of Budget Variances: Full Year to 31st March 2013

APPENDIX 2

Variances Analysis of the full year outturn against budget

Expenditure Heading	Variance*	Most Significant Reasons for Variance
Investment Accounting	(19,000)	The new Custody contract has delivered savings on Investment accounting. The use of conference calls and free conferences has produced savings on staff training and travel.
General Communication Costs	(24,000)	Reduced expenditure in 2012/13 due to the re-scheduling of the production of the LGPS 2014 booklet to 2013/14 and the delayed launch of the new website.
Payroll Communications	12,000	Additional costs of introducing new Fire Fighter's scheme, rechargeable to Avon Fire Service.
Information Systems	(18,000)	i-Connect system introduced later than assumed in the budget
Salaries	(81,000)	Primarily due to delayed appointments to new posts in Investments Team. Investments Officer and Pensions Valuation Officer now in place.
Central Allocated Costs and Administration	(7,000)	Reduced spending on equipment and central expenditure resulting in lower centrally allocated costs than anticipated.
Miscellaneous recoveries / income	(15,000)	Additional recharge of legal fees relating to new admission agreements and costs relating to new Fire Fighter's scheme (see above).
Administration	(152,000)	
Governance Costs	(104,000)	Lower spend consultancy advice for the review of Responsible Investing and the Strategic Review (the budget included some allowance for implementation the changes arising from the strategic review which will now be rolled out in 2013/14).
Compliance Costs	50,000	Increase in actuarial charges due to increased number of new bodies, mainly Academies, requiring admission agreements and IAS 19 reports. Offset by reduced audit fees and increased recharge of fees to employing bodies (see below).
Compliance Costs recharged	(168,000)	Increased recharges of actuarial fees as per above including the Pension Fund's administration charge to cover its related additional costs.
Governance & Compliance	(222,000)	
Total Directly Controlled	(374,000)	

Global Custodian Fees	(56,000)	Custody fees lower than assumed in budget preparation that took place prior to completion of custody tender.
Investment Manager Fees	(226,000)	Investment Manager fees are related to market returns. The budget assumes an annual return on assets of 6%. The reduced expenditure represents 2% of the budget and is the result of a number of managers substantially reducing their annual fees. These reductions have offset the increase in total fees that resulted from performances above the 6% level.

Total Indirectly Controlled (282,000)

Total Forecast Underspend (656,000)

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

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