

APPENDIX 2

Summary of main budget variances: Forecast for full year at 31 January 2014

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

Expenditure Heading	Variance	Most Significant Reasons for
Communication Costs	(20,000)	Production of 2014 new scheme leaflet postponed until 2014/15 due to delays in government announcements regarding details of the scheme.
Salaries	(35,000)	Reduced expenditure following delayed appointments of staff to Benefits and Data Quality sections. Positions are now filled.
Central Allocated Costs	(10,000)	The budget included £10,000 for an Employer's data base. This has not yet been developed. It is proposed that the 2014/15 budget will include a provision for this.
Miscellaneous recoveries	(4,000)	There has been an increase in the number of Pension Sharing cases, the costs of which are recharged.
Administration	(69,000)	
Investment Governance & Member Training	(50,000)	The budget for investment advice in relation to the new mandate searches included a contingency which will not be required.
Compliance Costs	20,000	Additional actuarial fees have been incurred in relation to the Triennial Valuation and to the production of FRS17 / IAS19 statements required for employer's end of year Statements of Accounts. The FRS17 / IAS19 costs are passed on to the employers (see below).
Compliance Costs Recharged	(65,000)	A greater amount of actuarial costs than anticipated were at the discretion of employers and therefore rechargeable.
Investment Manager Fees	1,754,300	Investment Manager fees are forecast to be above budget as a result of the investment returns (+15%) exceeding those assumed in setting the budget which was based on asset values as at December 2012.
Expenditure Outside Direct Control	1,659,300	
Total Forecast Overspend	<u>1,590,300</u>	

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