

Summary of Budget Variances: Forecast for year, as at 31st October 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
Administration Costs	(3,000)	The budget for Tracing was prepared on the assumption that the data cleansing exercise would generate an increase in Tracing work. This has not been required to the level that was anticipated.
Communications Costs	(2,700)	Reduced expenditure on guides and leaflets in the current year will be partly off set by the initial one off costs of the Heywood's Member Self Services system that will all be charged to the current year. It is planned that the savings generated by this system will recoup its cost over the next two years.
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	42,000	A small increase in manager fees is expected as a result of the performance of the markets, particularly in the emerging markets. Note: £115,000 of the forecast fees is due to performance related fees.
Compliance Costs	17,000	The increased expenditure in compliance costs is due to increased use of the Actuary, in particular in relation to the triennial valuation, FRS17 and new Admitted Bodies. The non rechargeable costs have been offset by the reduction in external audit fees. Rechargeable costs have been offset by the increase in recharges shown below.
Compliance Costs recharged	(17,000)	The increased recharges reflect the increased volume of actuarial work on behalf of external bodies in particular relating to FRS17 and new admitted bodies.

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

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