

APPENDIX 1A

Summary of main budget variances: Year to 31 October 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	(30,000)	Reduced salaries expenditure due to:- - The appointment of additional staff resources to meet the requirements of the GMP reconciliation was delayed but is now proceeding. - The appointment of a Custody & Finance Officer was delayed but has now been completed.
Communication Costs	(20,000)	Savings have been made on guides, leaflets, newsletters and the annual report through greater use of on-line access. There have also been savings on the cost of the employer conference.

Administration (50,000)

Investment Manager Fees	(793,000)	The fall in markets means there is a reduction in the full year forecast in the fees based on the value of the assets compared to the budget. This has been slightly offset by higher performance related fees payable in 2015/16 than anticipated when the budget was set. There is a small reduction in manager fees following the appointment of the new hedge fund manager. <i>The expenditure on fees does not include any provision for performance related fees that relate to the period but remain subject to variation as a result of future performance.</i>
-------------------------	-----------	---

Expenditure (843,000)

Outside Direct Control

Total Forecast (843,000)

Underspend

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