

APPENDIX 1A

Summary of main budget variances: Year to 31 January 2016

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	(50,000)	Reduced salaries expenditure due to:- - The appointment of additional staff resources to meet the requirements of the GMP reconciliation initially delayed but appointments now completed. - The appointment of a Custody & Finance Officer initially delayed but now completed.
Communication Costs	(38,000)	Savings have been made on the cost of distributing guides, leaflets and newsletters and on the annual report through greater use of on-line access. There have also been savings on the cost of the employer conference.
Central Allocated Costs	(10,000)	Savings in accommodation costs have been achieved through flexible working. Other central costs are being reviewed with the prospect of further potential savings.

Administration (98,000)

Investment Governance & Member Training	(40,000)	Reduced forecast expenditure due to later timing of Responsible Investment Review into 2016/17 and underspend on member training.
Investment Manager Fees	(1,353,000)	The reduction is due to changes to mandates that has led to lower fee rates and the markets generating lower returns than was assumed in the preparation of the budget. This has been partially offset by higher than estimated performance related fees payable in 2015/16. The expenditure on fees does not include performance related fees that relate to the period but are not paid in the period.
Pensions Board	(3,000)	Expenditure on allowances and training is currently forecast to be below budget.

Expenditure (1,396,000)

Outside Direct Control

Total Forecast (1,494,000)

Underspend

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

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