

## APPENDIX 1A

### Summary of main budget variances: Year to 31 October 2016

Variances Analysis of the full year expenditure and income, against budget.

Expenditure Heading	Variance £*	Most Significant Reasons for Variance
Salaries	(40,000)	Reduced salaries expenditure due to:- - Benefits : Posts being held open pending the restructure.
	(50,000)	- Investments: Delayed appointment of actuarial team post, maternity leave and residual left from extra resources allowed to support pooling.
Communication Costs	(15,400)	Savings on the Employer Conference and through the distribution of newsletters at the same time as Annual Benefit Statements and P60's.
IT Strategy	(100,000)	Expenditure is expected to be delayed and the budget carried over to 2017/18 as the product offer from the supplier for Employer Self Service is revised.
<b>Administration</b>	<b>(205,400)</b>	

Global Custodian Fees	45,500	Custody fees forecast has been increased to reflect higher than anticipated transaction fees in the currency hedging portfolio following the decision to extend the hedge to include overseas property, hedge fund and infrastructure mandates.
Investment Manager Fees	1,515.100	The larger than expected rise in asset values over the year to date (especially in quarter ending 30 September) have resulted in the forecast for fees to rise.

<b>Expenditure Outside Direct Control</b>	<b>1,560.600</b>
<b>Total</b>	<b><u>1,355,200)</u></b>

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