

## Summary of Budget Variances: Forecast for year, as at 31<sup>st</sup> August 2011

## 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
Salaries	(20,000)	Staff vacancies have been left unfilled and some staff have reduced their hours. This has not currently affected the level of service provided.
Compliance Costs	(25,000)	<p>The forecast £25,000 reduction in expenditure against budget follows the audit requirement that the cost of the triennial valuation should be charged to the year in which the valuation was performed (2010/11) and not to the years in which it would apply as was assumed in the budget. This is a change in policy. This has resulted in a reduction of the total under-spend against budget in 2010/11 reported to the Committee in June from £200,000 to £66,000.</p> <p>Increased expenditure on actuarial fees is offset by increased recharging of fees to employing bodies.</p>
Investment Manager Fees:	291,000	The budget was prepared prior to the appointment of the currency hedging manager. The full year cost of this is currently forecast to be £605,000. This is largely offset by reductions in fees as a result of the markets lagging the return assumed in the budget.
	246,000	

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

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