

**WELSH PURCHASING CONSORTIUM**

**MANAGEMENT BOARD**

**30<sup>th</sup> APRIL 2014**

**REPORT OF THE TREASURER - BUDGET MONITORING 2013/14**

**Background**

1. In 2008 the member authorities of the Welsh Purchasing Consortium agreed to provide funding over a three year period to support the setting up and operation of a central management team to be based in Cardiff Council. Since then, all sixteen member authorities have agreed to give twelve months notice of an intention to leave the consortium and on this basis funding is currently guaranteed to 31<sup>st</sup> March 2016.
2. During 2013/14, Wrexham, Flintshire and Denbighshire joined the consortium, thus increasing member authorities to nineteen. Wales Probation Trust also joined as an associate member, increasing numbers to six.
3. This report outlines the provisional outturn position for 2013/14, as set out in the monitoring statement attached as an appendix to this report. The final outturn position will be reported to the Management Board at the Annual General Meeting in June.

**Budget Monitoring 2013/14 – Provisional Outturn**

1. The total expenditure budget for 2013/14 was £227,000 and provided funding for the three posts within the central management team. The budget also provided for the necessary support costs including accommodation, car mileage and travelling expenses, supplies and services and central support costs.
2. The provisional outturn position shows an underspend of £61,507 against the net expenditure budget. This relates to savings of £23,018 as a result of the vacant post filled in January 2014, premises of £3,000 following relocation to Carmarthen, car allowances of £6,592, supplies and services of £4,612, and £7,160 on central support charges. Additional income of £17,125 was also received as a result of new members joining the consortium.
3. The income budget for 2013/14 was £227,000 based on a contribution of £13,500 from each member authority and contributions totalling £11,000 from the five associate members. However, 3 new members and one associate member joined during 2013/14 and their contributions were calculated on a pro rate basis. The total income received was £244,125.

4. Previous monitoring reports had assumed expenditure of £30,000 relating to an upgrade of the existing contract management system. However, due to supplier delays the system will not be upgraded until May 2014. The Procurement Manager has requested that we transfer £30,000 of the £61,507 provisional underspend to an earmarked reserve specifically for this expenditure to be drawn down in 2014-15. The balance of £31,507 will be transferred to the general reserve as in previous years.
  
5. The provisional surplus for the year is £31,507, giving a projected carried forward balance on the general reserve of £381,586.

### **Recommendations**

1. That the Consortium note the provisional outturn position as at 30<sup>th</sup> April 2014.

Christine Salter  
Corporate Director, Resources  
Cardiff Council  
April 2014

Welsh Purchasing Consortium  
Provisional Outturn Position for 2013/14 and Budget for 2014/15

## Appendix A

Actual 2012/13		Budget 2013/14	Projected 2013/14	Variance 2013/14	Budget 2014/15
£		£	£	£	£
	<b>Employees</b>				
85,365	Manager	87,000	85,945	-1,055	87,000
79,432	Procurement Specialist & Support Officers	80,000	56,676	-23,324	81,000
175	Other Employee expenses (Training, Insurance)	1,000	2,361	1,361	1,000
<b>164,972</b>		<b>168,000</b>	<b>144,982</b>	<b>-23,018</b>	<b>169,000</b>
	<b>Premises</b>				
18,000	Rents & Utilities	18,000	15,000	-3,000	14,000
<b>18,000</b>		<b>18,000</b>	<b>15,000</b>	<b>-3,000</b>	<b>14,000</b>
	<b>Transport</b>				
2,680	Car Mileage and travelling expenses	8,000	1,408	-6,592	8,000
<b>2,680</b>		<b>8,000</b>	<b>1,408</b>	<b>-6,592</b>	<b>8,000</b>
	<b>Supplies &amp; Services</b>				
2,851	IT Hardware & Software	5,000	3,271	-1,729	5,000
12,541	Consultancy & Legal Advice	7,000	1,870	-5,131	7,000
2,445	Other Supplies & Services	3,000	5,248	2,248	3,000
<b>17,837</b>		<b>15,000</b>	<b>10,389</b>	<b>-4,612</b>	<b>15,000</b>
	<b>Support</b>				
12,528	Central Support Charge: Prof, IT, Payroll, etc	18,000	10,840	-7,160	18,000
<b>12,528</b>		<b>18,000</b>	<b>10,840</b>	<b>-7,160</b>	<b>18,000</b>
<b>216,017</b>	<b>Total Expenditure</b>	<b>227,000</b>	<b>182,619</b>	<b>-44,382</b>	<b>224,000</b>
	<b>Income</b>				
-238,272	Full Members	-216,000	-230,625	-14,625	-230,850
-11,000	Associate Members	-11,000	-13,500	-2,500	-12,150
<b>-249,272</b>	<b>Total Income</b>	<b>-227,000</b>	<b>-244,125</b>	<b>-17,125</b>	<b>-243,000</b>
-132	Transfer to Accumulated Absences account	0	0	0	0
<b>-33,387</b>	<b>Net Expenditure (income)</b>	<b>0</b>	<b>-61,507</b>	<b>-61,507</b>	<b>-19,000</b>

**Balance on the Reserve**

Balance Brought Forward 1st April 2013 350,079  
Projected Surplus for 2013/14 31,507

Estimated balance on reserve at 31st March 2014 381,586

Budgeted surplus for 2014/15 19,000  
Estimated balance on reserve at 31st March 2015 400,586

Earmarked Reserve as at 31st March 2014 (Proactis Upgrade) 30,000

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