

WELSH PURCHASING CONSORTIUM
MANAGEMENT BOARD

29th APRIL 2015

REPORT OF THE TREASURER

Background

1. In 2008 the sixteen 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 the City of Cardiff Council. Funding arrangements have been extended since then and are currently guaranteed until 31st March 2016. Three new authorities joined the Consortium in 2013/14 increasing members to nineteen.
2. The report presents the provisional outturn position for 2014/15 and the proposed budget for 2015/16, as set out in the monitoring statement attached as Appendix A to this report. The final outturn position will be reported to the Management Board at the Annual General Meeting.

Budget Monitoring 2014/15 – Provisional Outturn

3. The total expenditure budget for 2014/15 was £224,000 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.
4. The provisional outturn position shows an underspend of £15,283 against the net expenditure budget. This relates to employee savings of £8,477 as a result of the workforce package and also the appointment of a Procurement Support Officer at the start of the incremental grade, £5,749 on transport costs and £3,410 on support costs. These underspends are offset by an overspend of £1,421 on premise costs and £19,932 on supplies and services. Within the supplies and services figure, £10,000 relates to the Proactis Upgrade, £5,000 to consultancy/legal advice and £6,000 in respect of the anticipated Audit Fee. The Proactis Upgrade cost of £10,000 is funded by the earmarked reserve.
5. The provisional surplus for the year is £25,283 giving an estimated carry forward balance on the general reserve of £411,450.

Proposed Budget 2015/16

6. The total proposed expenditure budget is £228,000. This reflects an increase in the premises budget to reflect full year costs at the new location and a decrease in transport costs again as a result of the new location.
7. Full member subscriptions for the year 2015-16 are to be paid for out of the WPC reserve. This provides for a budgeted contribution from the reserve of £230,850.
8. It is intended to raise invoices to the six associate members at the same amount as in 2014-15. This will give an income budget of £12,150.
9. A total income budget of £243,000 will provide for a budgeted contribution to the reserve at the year end of £15,000.
10. The balance on the reserve as at 31st March 2016 is projected to be £195,600. This will be required in the first instance to cover the termination costs of the Central Management Team. Any balance remaining should be returned to the nineteen member authorities in equal amount.

Recommendations

1. That the Consortium note the provisional outturn position as at 29th April 2015.
2. That the WPC Management Board approve the budget for 2015-16.

Christine Salter
Corporate Director Resources & Section 151 Officer
City of Cardiff Council
April 2015

Welsh Purchasing Consortium
Provisional Outturn Position for 2014-15 and Proposed Budget for 2015-16

Appendix A

Actual 2013/14		Budget 2014/15	Projected 2014/15	Variance 2014/15	Budget 2015/16
£		£	£	£	£
	Employees				
85,945	Manager	87,000	83,691	-3,309	87,000
56,676	Procurement Specialist & Support Officers	81,000	76,832	-4,168	81,000
2,720	Other Employee expenses (Training, Insurance)	1,000	0	-1,000	1,000
145,341		169,000	160,523	-8,477	169,000
	Premises				
15,000	Rents & Utilities	14,000	15,421	1,421	16,000
15,000		14,000	15,421	1,421	16,000
	Transport				
1,408	Car Mileage and travelling expenses	8,000	2,251	-5,749	4,000
1,408		8,000	2,251	-5,749	4,000
	Supplies & Services				
3,271	IT Hardware & Software	5,000	13,313	8,313	5,000
1,870	Consultancy & Legal Advice	7,000	12,184	5,184	7,000
5,248	Other Supplies & Services	3,000	3,435	435	3,000
	Audit Fee	0	6,000	6,000	6,000
10,389		15,000	34,932	19,932	21,000
	Support				
10,840	Central Support Charge: Prof, IT, Payroll, etc	18,000	14,590	-3,410	18,000
10,840		18,000	14,590	-3,410	18,000
182,978	Total Expenditure	224,000	227,717	3,717	228,000
	Income				
-230,625	Full Members	-230,850	-230,850	0.00	0.00
-13,500	Associate Members	-12,150	-12,150	0.00	-12,150.00
-244,125	Total Income	-243,000	-243,000	0.00	-12,150.00
-358	Transfer to Accumulated Absences account	0	0	0	0
-61,506	Net Expenditure (income)	-19,000	-15,283	3,717	215,850

Balance on the Reserve

Balance Brought Forward 1st April 2014

386,167

Projected Surplus for 2014-15

25,283

Estimated balance on reserve at 31st March 2015

411,450**Balance on the Reserve (Proactis Upgrade)**

Balance Brought Forward 1st April 2014

25,418

Contribution required 2014-15

-10,000

Estimated balance on reserve at 31st March 2015

15,418

Budgeted Contribution from Reserve to WPC 2015-16

-230,850

Budgeted Surplus to Reserve from WPC 2015-16

15,000

Estimated balance on reserve at 31st March 2016

195,600

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