

WELSH PURCHASING CONSORTIUM

MANAGEMENT BOARD

11th DECEMBER 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 Cardiff Council. Funding arrangements were extended and are due to end on 31st March 2016. Three new authorities joined the Consortium in 2013/14 increasing members to nineteen.
2. This report presents the financial monitoring position for 2015/16 based on the first seven months of the financial year, as set out in the monitoring statement attached as Appendix A.

Budget Monitoring 2015/16 – Month 7

3. The total expenditure budget for 2015/16 is £228,000 and provides funding for the three posts within the central management team. One post was vacated in July of this year and the manager post vacated on the 31st October 2015. The employee budget is projecting an overspend of £75,133. This is made up of a saving of £60,850 against salary costs offset by the unbudgeted costs of £135,983 relating to redundancy and pension strain costs. Premise costs are projecting an underspend of £5,500 based on the central team vacating their premises on the 31st October 2015. Transport costs are projected to underspend as well as supplies and services. Support costs are assumed to be in line with last years spend at this stage.
4. The income budget for 2015/16 is £12,150 based on contributions from the six associate members. Valleys to Coast Housing and Wales Probation Trust have since advised that they will not be renewing for 2015/16 thereby reducing income to £7,650.
5. Income from the nineteen member authorities is replaced with a contribution from the general reserve to the equivalent amount of £230,850 in 2015/16.
6. The current projection indicates that a deficit of £36,538 will have to be funded from the reserve, leaving a balance of £140,069 in the reserve at 31st March 2016.
7. The Officers group which met on the 27th November considered two options which are shown in Appendix B.

Option 1 – the net expenditure for 2015/16 to be split equally between the 19 authorities and funded from their shares of the reserves. This option leaves a shortfall on the share balances of the three authorities in NE Wales which joined the WPC in 2013/14 and a surplus on the balances of the original 16 authorities.

Option 2 – the 3 NE Wales authorities to contribute to the net expenditure for 2015/16 up to the value of their shares of the reserves, the remainder to be funded by equal contributions from the other 16 authorities' shares. This option leaves a nil balance on the reserves for the 3 NE Wales authorities and a smaller surplus on the balances of the other 16 authorities.

The Officers group asked for both options to be presented to the Board.

Recommendations

1. That the Management Board note the monitoring position for 2015/16 as at Month 7.
2. That the Management Board considers Options 1 and 2 in Appendix B.

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

Welsh Purchasing Consortium
Monitoring Position as at 31st October 2015

Appendix A

Actual 2014/15		Budget 2015/16	Projected 2015/16	Variance 2015/16
£		£	£	£
	Employees			
83,691	Manager	87,000	51,176	-35,824
76,832	Procurement Specialist & Support Officers	81,000	55,974	-25,026
787	Other Employee expenses (Training, Insurance)	1,000	136,983	135,983
161,310		169,000	244,133	75,133
	Premises			
15,421	Rents & Utilities	16,000	10,500	-5,500
15,421		16,000	10,500	-5,500
	Transport			
2,251	Car Mileage and travelling expenses	4,000	800	-3,200
2,251		4,000	800	-3,200
	Supplies & Services			
13,313	IT Hardware & Software	5,000	0	-5,000
12,184	Consultancy & Legal Advice	7,000	500	-6,500
3,435	Other Supplies & Services	3,000	700	-2,300
3,288	Audit Fee	6,000	3,815	-2,185
32,220		21,000	5,015	-15,985
	Support			
14,590	Central Support Charge: Prof, IT, Payroll, etc	18,000	14,590	-3,410
14,590		18,000	14,590	-3,410
225,792	Total Expenditure	228,000	275,038	47,038
	Income			
-230,850	Full Members	0.00	0	0.00
-12,150	Associate Members	-12,150.00	-7,650	4,500.00
-243,000	Total Income	-12,150.00	-7,650	4,500.00
-787	Transfer to Accumulated Absences account	0	0	0
-17,995	Net Expenditure (income)	215,850	267,388	51,538

Balance on the Reserve

Balance Brought Forward 1st April 2014
Surplus 2014-15

379,463
27,995

Balance on reserve at 31st March 2015

407,457

Balance on the Reserve (Proactis Upgrade)

Balance Brought Forward 1st April 2014
Contribution required 2014-15

25,418
-10,000

Balance on reserve at 31st March 2015

15,418

Budgeted Contribution from Reserve to WPC 2015-16
Estimated Deficit WPC 2015-16

-230,850
-36,538

Estimated balance on reserve at 31st March 2016

140,069

Estimated balance on reserve(Proactis upgrade) at 31st March 2016

15,418

Item No.	Item Title	Start Date	End Date	Responsible Officer	Status
1.1	Welsh Purchasing Consortium - Governance	1/12/15	31/12/15	Mr. [Name]	Completed
1.2	Welsh Purchasing Consortium - Financials	1/12/15	31/12/15	Mr. [Name]	In Progress
1.3	Welsh Purchasing Consortium - HR	1/12/15	31/12/15	Mr. [Name]	Not Started
1.4	Welsh Purchasing Consortium - IT	1/12/15	31/12/15	Mr. [Name]	In Progress
1.5	Welsh Purchasing Consortium - Legal	1/12/15	31/12/15	Mr. [Name]	Not Started
1.6	Welsh Purchasing Consortium - Marketing	1/12/15	31/12/15	Mr. [Name]	In Progress
1.7	Welsh Purchasing Consortium - Operations	1/12/15	31/12/15	Mr. [Name]	Not Started
1.8	Welsh Purchasing Consortium - Procurement	1/12/15	31/12/15	Mr. [Name]	In Progress
1.9	Welsh Purchasing Consortium - Quality	1/12/15	31/12/15	Mr. [Name]	Not Started
1.10	Welsh Purchasing Consortium - Risk	1/12/15	31/12/15	Mr. [Name]	In Progress
1.11	Welsh Purchasing Consortium - Compliance	1/12/15	31/12/15	Mr. [Name]	Not Started
1.12	Welsh Purchasing Consortium - Sustainability	1/12/15	31/12/15	Mr. [Name]	In Progress
1.13	Welsh Purchasing Consortium - Innovation	1/12/15	31/12/15	Mr. [Name]	Not Started
1.14	Welsh Purchasing Consortium - Customer Service	1/12/15	31/12/15	Mr. [Name]	In Progress
1.15	Welsh Purchasing Consortium - Supplier Management	1/12/15	31/12/15	Mr. [Name]	Not Started
1.16	Welsh Purchasing Consortium - Data Protection	1/12/15	31/12/15	Mr. [Name]	In Progress
1.17	Welsh Purchasing Consortium - Health & Safety	1/12/15	31/12/15	Mr. [Name]	Not Started
1.18	Welsh Purchasing Consortium - Environmental	1/12/15	31/12/15	Mr. [Name]	In Progress
1.19	Welsh Purchasing Consortium - Equality	1/12/15	31/12/15	Mr. [Name]	Not Started
1.20	Welsh Purchasing Consortium - Freedom of Information	1/12/15	31/12/15	Mr. [Name]	In Progress
1.21	Welsh Purchasing Consortium - Anti-Bribery	1/12/15	31/12/15	Mr. [Name]	Not Started
1.22	Welsh Purchasing Consortium - Modern Slavery	1/12/15	31/12/15	Mr. [Name]	In Progress
1.23	Welsh Purchasing Consortium - Whistleblowing	1/12/15	31/12/15	Mr. [Name]	Not Started
1.24	Welsh Purchasing Consortium - Intellectual Property	1/12/15	31/12/15	Mr. [Name]	In Progress
1.25	Welsh Purchasing Consortium - Cyber Security	1/12/15	31/12/15	Mr. [Name]	Not Started
1.26	Welsh Purchasing Consortium - Business Continuity	1/12/15	31/12/15	Mr. [Name]	In Progress
1.27	Welsh Purchasing Consortium - Crisis Management	1/12/15	31/12/15	Mr. [Name]	Not Started
1.28	Welsh Purchasing Consortium - Reputation Management	1/12/15	31/12/15	Mr. [Name]	In Progress
1.29	Welsh Purchasing Consortium - Stakeholder Engagement	1/12/15	31/12/15	Mr. [Name]	Not Started
1.30	Welsh Purchasing Consortium - Public Affairs	1/12/15	31/12/15	Mr. [Name]	In Progress
1.31	Welsh Purchasing Consortium - Media Relations	1/12/15	31/12/15	Mr. [Name]	Not Started
1.32	Welsh Purchasing Consortium - Investor Relations	1/12/15	31/12/15	Mr. [Name]	In Progress
1.33	Welsh Purchasing Consortium - Shareholder Engagement	1/12/15	31/12/15	Mr. [Name]	Not Started
1.34	Welsh Purchasing Consortium - ESG Reporting	1/12/15	31/12/15	Mr. [Name]	In Progress
1.35	Welsh Purchasing Consortium - Sustainability Reporting	1/12/15	31/12/15	Mr. [Name]	Not Started
1.36	Welsh Purchasing Consortium - Carbon Footprint	1/12/15	31/12/15	Mr. [Name]	In Progress
1.37	Welsh Purchasing Consortium - Energy Efficiency	1/12/15	31/12/15	Mr. [Name]	Not Started
1.38	Welsh Purchasing Consortium - Waste Management	1/12/15	31/12/15	Mr. [Name]	In Progress
1.39	Welsh Purchasing Consortium - Water Conservation	1/12/15	31/12/15	Mr. [Name]	Not Started
1.40	Welsh Purchasing Consortium - Green Building	1/12/15	31/12/15	Mr. [Name]	In Progress
1.41	Welsh Purchasing Consortium - Sustainable Procurement	1/12/15	31/12/15	Mr. [Name]	Not Started
1.42	Welsh Purchasing Consortium - Ethical Sourcing	1/12/15	31/12/15	Mr. [Name]	In Progress
1.43	Welsh Purchasing Consortium - Supplier Sustainability	1/12/15	31/12/15	Mr. [Name]	Not Started
1.44	Welsh Purchasing Consortium - Supplier Diversity	1/12/15	31/12/15	Mr. [Name]	In Progress
1.45	Welsh Purchasing Consortium - Supplier Development	1/12/15	31/12/15	Mr. [Name]	Not Started
1.46	Welsh Purchasing Consortium - Supplier Innovation	1/12/15	31/12/15	Mr. [Name]	In Progress
1.47	Welsh Purchasing Consortium - Supplier Risk	1/12/15	31/12/15	Mr. [Name]	Not Started
1.48	Welsh Purchasing Consortium - Supplier Performance	1/12/15	31/12/15	Mr. [Name]	In Progress
1.49	Welsh Purchasing Consortium - Supplier Quality	1/12/15	31/12/15	Mr. [Name]	Not Started
1.50	Welsh Purchasing Consortium - Supplier Compliance	1/12/15	31/12/15	Mr. [Name]	In Progress
1.51	Welsh Purchasing Consortium - Supplier Ethics	1/12/15	31/12/15	Mr. [Name]	Not Started
1.52	Welsh Purchasing Consortium - Supplier Social Responsibility	1/12/15	31/12/15	Mr. [Name]	In Progress
1.53	Welsh Purchasing Consortium - Supplier Environmental	1/12/15	31/12/15	Mr. [Name]	Not Started
1.54	Welsh Purchasing Consortium - Supplier Equality	1/12/15	31/12/15	Mr. [Name]	In Progress
1.55	Welsh Purchasing Consortium - Supplier Freedom of Information	1/12/15	31/12/15	Mr. [Name]	Not Started
1.56	Welsh Purchasing Consortium - Supplier Anti-Bribery	1/12/15	31/12/15	Mr. [Name]	In Progress
1.57	Welsh Purchasing Consortium - Supplier Modern Slavery	1/12/15	31/12/15	Mr. [Name]	Not Started
1.58	Welsh Purchasing Consortium - Supplier Whistleblowing	1/12/15	31/12/15	Mr. [Name]	In Progress
1.59	Welsh Purchasing Consortium - Supplier Intellectual Property	1/12/15	31/12/15	Mr. [Name]	Not Started
1.60	Welsh Purchasing Consortium - Supplier Cyber Security	1/12/15	31/12/15	Mr. [Name]	In Progress
1.61	Welsh Purchasing Consortium - Supplier Business Continuity	1/12/15	31/12/15	Mr. [Name]	Not Started
1.62	Welsh Purchasing Consortium - Supplier Crisis Management	1/12/15	31/12/15	Mr. [Name]	In Progress
1.63	Welsh Purchasing Consortium - Supplier Reputation Management	1/12/15	31/12/15	Mr. [Name]	Not Started
1.64	Welsh Purchasing Consortium - Supplier Stakeholder Engagement	1/12/15	31/12/15	Mr. [Name]	In Progress
1.65	Welsh Purchasing Consortium - Supplier Public Affairs	1/12/15	31/12/15	Mr. [Name]	Not Started
1.66	Welsh Purchasing Consortium - Supplier Media Relations	1/12/15	31/12/15	Mr. [Name]	In Progress
1.67	Welsh Purchasing Consortium - Supplier Investor Relations	1/12/15	31/12/15	Mr. [Name]	Not Started
1.68	Welsh Purchasing Consortium - Supplier Shareholder Engagement	1/12/15	31/12/15	Mr. [Name]	In Progress
1.69	Welsh Purchasing Consortium - Supplier ESG Reporting	1/12/15	31/12/15	Mr. [Name]	Not Started
1.70	Welsh Purchasing Consortium - Supplier Sustainability Reporting	1/12/15	31/12/15	Mr. [Name]	In Progress
1.71	Welsh Purchasing Consortium - Supplier Carbon Footprint	1/12/15	31/12/15	Mr. [Name]	Not Started
1.72	Welsh Purchasing Consortium - Supplier Energy Efficiency	1/12/15	31/12/15	Mr. [Name]	In Progress
1.73	Welsh Purchasing Consortium - Supplier Waste Management	1/12/15	31/12/15	Mr. [Name]	Not Started
1.74	Welsh Purchasing Consortium - Supplier Water Conservation	1/12/15	31/12/15	Mr. [Name]	In Progress
1.75	Welsh Purchasing Consortium - Supplier Green Building	1/12/15	31/12/15	Mr. [Name]	Not Started
1.76	Welsh Purchasing Consortium - Supplier Sustainable Procurement	1/12/15	31/12/15	Mr. [Name]	In Progress
1.77	Welsh Purchasing Consortium - Supplier Ethical Sourcing	1/12/15	31/12/15	Mr. [Name]	Not Started
1.78	Welsh Purchasing Consortium - Supplier Sustainability	1/12/15	31/12/15	Mr. [Name]	In Progress
1.79	Welsh Purchasing Consortium - Supplier Diversity	1/12/15	31/12/15	Mr. [Name]	Not Started
1.80	Welsh Purchasing Consortium - Supplier Development	1/12/15	31/12/15	Mr. [Name]	In Progress
1.81	Welsh Purchasing Consortium - Supplier Innovation	1/12/15	31/12/15	Mr. [Name]	Not Started
1.82	Welsh Purchasing Consortium - Supplier Risk	1/12/15	31/12/15	Mr. [Name]	In Progress
1.83	Welsh Purchasing Consortium - Supplier Performance	1/12/15	31/12/15	Mr. [Name]	Not Started
1.84	Welsh Purchasing Consortium - Supplier Quality	1/12/15	31/12/15	Mr. [Name]	In Progress
1.85	Welsh Purchasing Consortium - Supplier Compliance	1/12/15	31/12/15	Mr. [Name]	Not Started
1.86	Welsh Purchasing Consortium - Supplier Ethics	1/12/15	31/12/15	Mr. [Name]	In Progress
1.87	Welsh Purchasing Consortium - Supplier Social Responsibility	1/12/15	31/12/15	Mr. [Name]	Not Started
1.88	Welsh Purchasing Consortium - Supplier Environmental	1/12/15	31/12/15	Mr. [Name]	In Progress
1.89	Welsh Purchasing Consortium - Supplier Equality	1/12/15	31/12/15	Mr. [Name]	Not Started
1.90	Welsh Purchasing Consortium - Supplier Freedom of Information	1/12/15	31/12/15	Mr. [Name]	In Progress
1.91	Welsh Purchasing Consortium - Supplier Anti-Bribery	1/12/15	31/12/15	Mr. [Name]	Not Started
1.92	Welsh Purchasing Consortium - Supplier Modern Slavery	1/12/15	31/12/15	Mr. [Name]	In Progress
1.93	Welsh Purchasing Consortium - Supplier Whistleblowing	1/12/15	31/12/15	Mr. [Name]	Not Started
1.94	Welsh Purchasing Consortium - Supplier Intellectual Property	1/12/15	31/12/15	Mr. [Name]	In Progress
1.95	Welsh Purchasing Consortium - Supplier Cyber Security	1/12/15	31/12/15	Mr. [Name]	Not Started
1.96	Welsh Purchasing Consortium - Supplier Business Continuity	1/12/15	31/12/15	Mr. [Name]	In Progress
1.97	Welsh Purchasing Consortium - Supplier Crisis Management	1/12/15	31/12/15	Mr. [Name]	Not Started
1.98	Welsh Purchasing Consortium - Supplier Reputation Management	1/12/15	31/12/15	Mr. [Name]	In Progress
1.99	Welsh Purchasing Consortium - Supplier Stakeholder Engagement	1/12/15	31/12/15	Mr. [Name]	Not Started
2.00	Welsh Purchasing Consortium - Supplier Public Affairs	1/12/15	31/12/15	Mr. [Name]	In Progress

WPC General Reserve

Balance @ 31.03.2015	£407,457.92
Movement 2015-16	-£230,850.00
Movement 2015-16	-£36,538.00
Balance @ 31.03.2016	£140,069.92

Distribution of Reserve	£	16 Authorities £	2 Authorities (Den & Flint) £	1 Authority (Wrexham) £	Total £
Up to 31.03.2013	350,079.61	21,879.98			
2013 - 14 Underspend	29,383.00				
01.04.2013 - 31.10.2013	17,140.08	1,071.26			
01.11.2013 - 31.12.2014	4,897.17	272.06	272.06		
01.01.2014 - 31.03.2014	7,345.75	386.62	386.62	386.62	
2014 - 15 Underspend	27,995.31	1,473.44	1,473.44	1,473.44	
2015-16 Contribution to WPC	-230,850.00	-12,150.00	-12,150.00	-12,150.00	
2015-16 Projected Deficit	-36,538.00	-1,923.05	-1,923.05	-1,923.05	
TOTAL	140,069.92				
Option 1		11,010.30	-11,940.93	-12,213.00	140,069.92
Option 2		8,754.37	0.00	0.00	140,069.92

WPC Proactis Reserve

Distribution of Reserve	£	16 Authorities £	2 Authorities (Den & Flint) £	1 Authority (Wrexham) £	Total £
Up to 31.03.2014	25,418.00				
01.04.2013 - 31.10.2013	14,827.17	926.70			
01.11.2013 - 31.12.2014	4,236.33	235.35	235.35		
01.01.2014 - 31.03.2014	6,354.50	334.45	334.45	334.45	
2014-2015	-10,000.00	-526.32	-526.32	-526.32	
TOTAL	15,418.00				
Option 1		970.18	43.48	-191.87	15,418.00
Option 2		963.63	0.00	0.00	15,418.00

GRAND TOTAL

TOTAL	155,487.92				
Option 1		11,980.48	-11,897.45	-12,404.87	155,487.92
Option 2		9,718.00	0.00	0.00	155,487.92

Note:

Option 1

16 Member Authorities will receive £11,980.48
Denbighshire & Flintshire will be required to contribute £11,897.45
Wrexham will be required to contribute £12,404.87

Option 2

16 Member Authorities will receive £9,718

Figures are estimated at this stage

Item	Category	Item Name	Item Description	Item Value	Item Status
1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100