



Agenda item 4 – Budget 2015

a) Q1 2015 PMC Budget v/s expenses

The accounts of Q1 2015 have been finalized and are presented here below:

		2015 Budget	Expenses by 30/04/2015	Difference
2.1	Generic costs:	€ 789.928	€ 207.406	€ -582.522
2.2	Ag-specific costs	€ 241.415	€ 1.420	€ -239.995
2.3	Au-specific costs	€ 56.650	€ 12.967	€ -43.683
2.4	PM CN- -specific costs	€ 193.900	€ 99.752	€ -94.148
2.5	PGM-specific costs	€ 1.168.010	€ 159.815	€ -1.008.195
2.6	Re-specific costs	€ 9.450	€ 670	€ -8.780
2.7	Refinables-specific costs	€ 365.824	€ 12.065	€ -353.759
2.8	Hydrazine-specific costs	€ 78.000	€ 0	€ -78.000
	TOTAL	€ 2.903.177	€ 494.095	€ -2.409.082

For most of the projects, invoices are lagging behind. The Secretariat will remind to the different labs and consultants to send their invoices on a regular basis.

The accounts of Q2 2015 will be available early July 2015.

b) 2015 forecast

i. Background

Beginning 2015, the Management Committee has decided to freeze the scope of the PMC to ensure more stability and predictability in the budget and resources in preparation of 2018 deadline. In March 2015, we received from 4 companies significant changes related to the scope of the consortium which can be summarized as follows:

- Ru Cl3: moving from 1-10 to 10-100t/y
- PdCl2 and Na2PdCl4: moving from 1-10 to 10-100t/y (no implication on 2015 budget since read-across will be feasible).
- Karstedt: current LR (from Reconsile) refuses to cover 10-100t/y tonnage band, which is relevant for PMC member. Discussions are ongoing with Reconsile but work needs already to be done to avoid to miss the registration deadline. The decision to include in the PMC scope this substance is a question of risk management and risk tolerance: taking into account the



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requirements related to this tonnage band postponing the testing programme, waiting for Reconsile decision, could jeopardize the compliance with the next registration deadline.

On the top, reviewing PMC product portfolio, the Secretariat realized that HHPA compound is in the 10-100t/y tonnage band and not in the 1-10t/y.

It is recommended to update the scope of the PMC and the PMC workplan accordingly to ensure compliance with the registration deadline of May 2018.

However, the financial and human resources consequences are important and can be resumed as follows for 2015-2017:

		RuCl3	HHPA compound	Karstedt	PdCl2 and Na2PdCl4	Forecast	PMC FTE
2015	Testing Costs (€)	208.000	208.000	259.000	0	675.000	
	Costs for repeated studies (€)	41600	41600	51800	0	135.000	
	PMC time (days)	15	10	14	0		0.2
	Consultant costs (€)	13.000	10.000	23.000	0	46.000	
	Subtotal					856.000	
2016	Testing Costs (€)	66.000	66.000	66.000	0	198.000	
	Costs for repeated studies (€)	13.200	13.200	13.200	0	39.600	
	PMC time (days)	11	11	10	4		0.2
	Consultant costs (€)				40.000		
	Comment	Split RDT over 2a	Split RDT over 2a	Split RDT over 2a			
	Subtotal					277.600	
2017	Testing Costs (€)		155.000			155.000	
	Costs for repeated studies (€)		31.000			31.000	
	PMC time (days)		10				
	Consultant costs (€)						
	Comment		TP related work + LoA				PMC FTE
	Subtotal					186.000	
	Total (€)					1.319.600	



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Moreover, reviewing the budget 2015, it has been noted also that the following expected expenses have not been accrued correctly in 2015 budget and must be taken from the reserves: **96.000€** (for invoices from 2014 not yet sent to the PMC and the Shadow RMO on chloroplatinates).

Additionally, an overspend is foreseen in:

- Generic Costs of 112.177€ due to Sec Gen salary, bonus of employees, leave of Renaud Nicolay and additional HR needed due to change in the scope of the Consortium.
- Silver costs of 39.000€ due to CLH and Evaluation.
- Hydrazine project of 22.000€ due to the refinement of the Occupational exposure campaign.

Based on the above, forecast for 2015 has been amended as follows:

2015 PMC Budget v/s forecast				
		2015 Budget	Forecast on 19 May 2015	Difference
2.1	Generic costs:	€ 789.928	€ 902.105	€112.177
2.2	Ag-specific costs	€ 241.415	€ 280.415	€39.000
2.3	Au-specific costs	€ 56.650	€ 56.650	€ 0
2.4	PM CN- -specific costs	€ 193.900	€ 193.900	€ 0
2.5	PGM-specific costs	€ 1.168.010	€ 2.120.010	€952.000
2.6	Re-specific costs	€ 9.450	€ 9.450	€ 0
2.7	Refinables-specific costs	€ 365.824	€ 365.824	€ 0
2.8	Hydrazine-specific costs	€ 78.000	€ 100.000	€22.000
	TOTAL	€2.903.177	€4.028.354	€1.125.177

ii. Recommendation of the Management Committee to the Assembly to address the budget and HR issues for 2015

Overspend forecast in 2015

To address the issue of the overspend forecast in 2015, the Management Committee suggests the following exceptional approach based on the principle of fairness and solidarity always promoted in the PMC:

- **RuCl3 (262.600€):** in 2015, 80% of the costs will be bear by the company having requested the change in the tonnage band, the remaining 20% of the costs will be shared between the other co-registrants of the same substance. This amount will be invoiced to the relevant companies in Q3 2015.
- **PdCl2 and Na2PdCl4:** in 2015, there is no impact on the budget, therefore, the additional costs in 2016 will be included in 2016 budget.



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- **Karstedt (333.800€)**: due to the urgency of the work to be done and the fact that this situation is independent of the PMC members decision, it is suggested to invoice the related costs to the PGM projects members, following the usual cost-sharing rules of the PMC. This amount will be invoiced to the companies in the PGM WG in Q3 2015.
- **HPPA, accruals for 2014 invoices and RMO on chloroplatinates (355.600€)**: PGM reserves will be used.
- **Generic costs (112.177€)**: Generic costs reserves will be used.
- **Silver (39.000€)**: Silver reserves will be used.
- **Hydrazine (22.000€)**: Hydrazine reserves will be used.

In summary, a part of the overspend forecast (596.400€) will be invoiced following the above principles (see in Annex 1 the consequence for each PMC member) in Q3 2015, the rest will be taken from the reserves.

Based on the proposal described above, the table below summarizes the simulation of the total reserves end of 2015 in the PMC. The Management Committee proposal will allow to keep sufficient reserves as agreed in December 2014 by the Assembly.

		SIMULATION TOTAL RESERVES END 2015 based on MC proposal
1.2.1	Generic costs	€ 153.159,23
1.2.2	Ag-specific costs	€ 201.347,87
1.2.3	Au-specific costs	€ 80.263,37
1.2.4	PM CN- -specific costs	€ 197.571,82
1.2.5	PGM-specific costs	€ 347.790,47
1.2.6	Re-specific costs	€ 159.176,86
1.2.7	Refinables-specific costs	€ 293.263,94
1.2.8	Hydrazine	€ 32.456,74
		€ 1.465.030,28



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Human resources

Reorganisation PMC work to make it more efficient and increase of consultancy support

A review of the current working organisation is ongoing. Some areas of improvement have been identified:

- streamlining and decreasing administrative burdens of the managers: currently each manager has his own system to track his projects. This system is partially duplicating what is done by the accountant. Therefore, a single, simple and centralized system is under development to allow good project management but decrease to the maximum extend the administrative burdens of the team.
- Increase the synergy between the different projects: currently each manager is managing his project (mainly organized by substance or group of substances) in silos. This means in practice that some similar issues arising in the different projects are treated separately by each manager with his WG: this duplicates the work and could cause some consistency issues.



Annex I: Extraordinary invoicing in Q3 2015

ID Code	2015 Generic cost-share per Member	2015 Ag-specific cost-share per Member	2015 Au-specific cost-share per Member	2015 PM CN-specific cost-share per Member	2015 EXTRA PGM-specific cost-share per Member	2015 Re-specific cost-share per Member	2015 Ref-specific cost-share per Member	2015 Hz-specific cost-share per Member	EXTRA Amount to be invoiced in 2015
1	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
2	0,00 €	0,00 €	0,00 €	0,00 €	7.712,34 €	0,00 €	0,00 €	0,00 €	7.712,34 €
3	0,00 €	0,00 €	0,00 €	0,00 €	2.518,53 €	0,00 €	0,00 €	0,00 €	2.518,53 €
5	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
6	0,00 €	0,00 €	0,00 €	0,00 €	6.296,33 €	0,00 €	0,00 €	0,00 €	6.296,33 €
7	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
8	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
9	0,00 €	0,00 €	0,00 €	0,00 €	10.074,13 €	0,00 €	0,00 €	0,00 €	10.074,13 €
10	0,00 €	0,00 €	0,00 €	0,00 €	2.518,53 €	0,00 €	0,00 €	0,00 €	2.518,53 €
11	0,00 €	0,00 €	0,00 €	0,00 €	101.491,82 €	0,00 €	0,00 €	0,00 €	101.491,82 €
12	0,00 €	0,00 €	0,00 €	0,00 €	2.518,53 €	0,00 €	0,00 €	0,00 €	2.518,53 €
13	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
14	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
15	0,00 €	0,00 €	0,00 €	0,00 €	289.089,62 €	0,00 €	0,00 €	0,00 €	289.089,62 €
16	0,00 €	0,00 €	0,00 €	0,00 €	23.293,76 €	0,00 €	0,00 €	0,00 €	23.293,76 €
17	0,00 €	0,00 €	0,00 €	0,00 €	3.777,80 €	0,00 €	0,00 €	0,00 €	3.777,80 €
18	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
19	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
20	0,00 €	0,00 €	0,00 €	0,00 €	1.259,27 €	0,00 €	0,00 €	0,00 €	1.259,27 €
21	0,00 €	0,00 €	0,00 €	0,00 €	2.518,53 €	0,00 €	0,00 €	0,00 €	2.518,53 €
23	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
24	0,00 €	0,00 €	0,00 €	0,00 €	2.518,53 €	0,00 €	0,00 €	0,00 €	2.518,53 €
25	0,00 €	0,00 €	0,00 €	0,00 €	66.583,24 €	0,00 €	0,00 €	0,00 €	66.583,24 €
27	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
28	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
29	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
30	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
31	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
32	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
33	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
34	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
35	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
36	0,00 €	0,00 €	0,00 €	0,00 €	2.518,53 €	0,00 €	0,00 €	0,00 €	2.518,53 €
39	0,00 €	0,00 €	0,00 €	0,00 €	2.518,53 €	0,00 €	0,00 €	0,00 €	2.518,53 €
40	0,00 €	0,00 €	0,00 €	0,00 €	7.963,48 €	0,00 €	0,00 €	0,00 €	7.963,48 €
41	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
42	0,00 €	0,00 €	0,00 €	0,00 €	1.259,27 €	0,00 €	0,00 €	0,00 €	1.259,27 €
43	0,00 €	0,00 €	0,00 €	0,00 €	3.934,54 €	0,00 €	0,00 €	0,00 €	3.934,54 €
44	0,00 €	0,00 €	0,00 €	0,00 €	8.814,86 €	0,00 €	0,00 €	0,00 €	8.814,86 €
45	0,00 €	0,00 €	0,00 €	0,00 €	16.683,94 €	0,00 €	0,00 €	0,00 €	16.683,94 €
46	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €	0,00 €
47	0,00 €	0,00 €	0,00 €	0,00 €	6.296,33 €	0,00 €	0,00 €	0,00 €	6.296,33 €
48	0,00 €	0,00 €	0,00 €	0,00 €	2.518,53 €	0,00 €	0,00 €	0,00 €	2.518,53 €
49	0,00 €	0,00 €	0,00 €	0,00 €	8.814,86 €	0,00 €	0,00 €	0,00 €	8.814,86 €
50	0,00 €	0,00 €	0,00 €	0,00 €	12.906,14 €	0,00 €	0,00 €	0,00 €	12.906,14 €
TPR 1	TPR 1					0,00 €			0,00 €
TOTAL	0,00 €	0,00 €	0,00 €	0,00 €	596.400,00 €	0,00 €	0,00 €	0,00 €	596.400,00 €