

# Secretariat update

## ZEP Advisory Council 48

14<sup>th</sup> September 2016



# ZEP secretariat



## Background

- CCSA successful bidder under H2020 call for “Support to the energy stakeholders to contribute to the SET-Plan”
- New ZEP secretariat commenced 1<sup>st</sup> Aug 2016 until 31<sup>st</sup> Dec 2017
- History of ZEP CCSA collaboration; organisations complementary with synergies – hope new relationship strengthen both parties

## Carbon Capture and Storage Association (CCSA)

- Membership organisation, founded 2006 to support CCS developments
- c.40 members, industrial players, researchers, regional groups
- Active at the UK, EU and international levels
- CCSA Secretariat based in London
  - Luke Warren, Chief Executive
  - Theo Mitchell, Policy Manager
  - Judy Shapiro, Policy and Communications Manager
  - Harriet Howe, Policy Officer
- Further details can be found here: <http://www.ccsassociation.org/>



# ZEP secretariat – continued

## Resources and governance

- Luke Warren, Theo Mitchell and Harriet Howe lead support to ZEP bodies
- EC grant includes budget for external communications support for ZEP, in process of tendering for these services
- CCSA and ZEP work programmes continue with separate governance arrangements, i.e. CCSA staff working on ZEP matters ultimately do so under the direction of Advisory Council

## Handover process

- Secretariat under ACEC guidance delivered management of change process with previous secretariat
- Early focus on orderly transition with ZEP bodies (i.e. AC, GG, NWs, etc)
- Continuously look for ways for secretariat to improve services to ZEP – very much welcome feedback from all stakeholders

# ZEP-C – financial management report



ZEP Communications financial management report 1 Sept 2016

## Budget management: Expenditure against 2016 budget

Activity	Contractor	Budget 2016	Comments	To date Spent	Comments	To Date Committed	Comments
Basic Communications & PA	Weber Shandwick	€ 122 941		€ 94 962	Jan-Jul16 of ERG workplan 2016		
Ad Hoc Communications	Weber Shandwick	€ 0	Nothing decided yet				
Administration / Auditing	Adams accountants / Nijss & Partners	€ 8 000		€ 1 600	Jan-Jul16		
Website maintenance	Karakas	€ 5 000		€ 2 830	maintenance, hosting 2016		
Legal advice	Lawsquare	€ 2 000		€ 2 400	Legal Advice re. tender text of Jan16		
Secretariat	Triarii	€ 120 750	Jan-Jul16 (no external sponsoring yet)	€ 120 750	Jan-Jul16		
Chair	Arduacraggan Energy Services	€ 33 667	Jan-Jul16	€ 39 333	Jan-Aug16		
Contingency		€ 2 833	Estimate (no provision for meeting room rent)	€ 2 134	Multiburo mailbox, banking, etc.		
<b>Total 2015</b>		<b>€ 315 191</b>		<b>€ 284 029</b>		<b>€ 0</b>	

Spent: Actually paid or contractually due for delivered work  
 Committed: Based on signed contracts, yet to be approved invoices or founded estimates

Spent + Committed € 284 029  
 Remaining total budget € 31 162

## Forecast 2016

<b>€ 133 821</b>	<b>Starting point 2016 (= Left over budget 2015)</b>
2015 Total Spent	Comments Relative to budget
€ 94 962	No more 2016 ZEP-C spend forecast
€ 0	
€ 8 000	
€ 5 000	
€ 3 600	est.: directors' change yet to be implemented
€ 120 750	Grantee to take over Aug-Dec16
€ 81 997	Additional expenditure for Chair to end of year
€ 2 833	
<b>€ 317 142</b>	<b>Total budget spent 2016</b>

## Cash management of ZEP Communications VZW / ASBL

### Income situation

Category	Source	Outstanding Invoices	Comments	Pending Invoices	Comments	Received payments	Comments
2015 contributions	OEM					€ 13 000	GE
2016 contributions	EC	€ 6 000	ZEP-C 2015 grant liability fund			€ 114 000	ZEP-C 2015 grant "advance"
	O&G					€ 90 000	BP, Statoll, Shell
	OEM	€ 20 000	GE				
	Others (confirmed)	€ 28 500	EPPGA 2016			€ 32 500	TCE, HeidelbergCement
	Others (expected)			€ 30 000	Gasnova		
2017 contributions, pre-invoiced	O&G					€ 90 000	BP, Statoll, Shell
	OEM			€ 20 000	GE		
	Others (confirmed)					€ 12 500	TCE
General	VAT return	€ 8 831	Jul-Aug 16 invoices received in Vat	€ 3 043	Apr-Jul16 invoices to be received	€ 5 186	16Q2
<b>Total outstanding / pending ZEP-C</b>		<b>€ 69 331</b>		<b>€ 53 043</b>			

### Cash situation (of 9 August 2016)

Current account (KBC - Business compact rekening)	€ 13 610
Savings account (KBC - Spaarrekening)	€ 93
<b>Actual cash at bank and in hand</b>	<b>€ 13 703</b>

### Expenditure situation

Source	Outstanding Invoices	Comments	Pending Invoices	Comments
Short term creditors	€ 82 417	TRIARII May to Jul & AES - Apr to Jul	€ 23 199	WS - Jul & ADAMS & AES - Aug
<b>Outstanding invoices in spent to date, to be paid</b>	<b>€ 82 417</b>		<b>€ 23 199</b>	

### Cash boundaries

Minimum virtual financial position (all creditors paid, no more income)  
 Maximum virtual financial position (all creditors paid, all income realised)

€ 91 913-  
 € 24 461

### Comments

- More negative starting point 2016 due to EC 2015 grant way later than anticipated
- 2016 cash call in Dec15 and pushing Q4 suppliers compensated for resultant cash deficit e/o 2015
- 2017 cash call in Feb16 to compensate for resultant cash deficit in 16Q1, together with grant lasting at least until Jul16
- New 100% EC funded Secretariat, expected Aug16-Dec17, to take over bulk of spending
- Total forecasted Left over budget 2016 comparable to starting point but very limited spending in 2017, due to EC funded Secrecrariat, allows returning to black e/o 2017

# Budget management



## Services of the Chair and communications support

- CCSA proposal for EC grant support included budget for the services of a Chair and external communications support
- During assessment Chair's budget considered out of scope while the budget for communications support was accepted
- ACEC reviewed ZEP finances and agreed;
  - Communications support should be sought for the sum contained in the grant proposal (€126,833)
  - Seek to retain Chair's services from ZEP-C funds (Total €96,322 over 2016 and 2017).
  - The Chair agreed to new proposal and the ACEC will assist in managing workload given funding reduction
- Amendments to "Forecast 2016" spend:
  - Basic Communications reduced from €122,941 to €94,962 (from 1<sup>st</sup> Aug support is from EC grant)
  - Chair services increased from €53,667 to €81,997 to reflect ZEP-C funding of service

# Cash Management



## Income

- Since AC47 the following invoices have been settled;
  - ZEP-C 2015 EC grant (€24,000)
  - HeidelbergCement invoice (€20,000)
- *2016 Contributions* and *2017 Contributions* show good progress;
  - EC 2015 Grant (€6,000) – Triarii grantee, working to secure payment
  - GE 2016 (€20,000) – invoice approved and issued
  - EPPSA 2016 (€28,500) – Invoice approved and issued
  - Gassnova 2016 (€30,000) – Chair met with CEO to discuss support
  - GE 2017 (€20,000) – Positive signals that will continue contribution
- As of the 1<sup>st</sup> September the cash situation at the bank is €13,703.

## ZEP-C Creditors

- Contractors to ZEP-C have a total of €105,616 of invoices either outstanding or pending (Apr. – Aug. 2016). The main creditors are;
  - Ardnacraggan (Energy Services) Ltd: €36,332.68; Triarii: €51,750
  - Weber Shandwick: €13,500

## Prospective new members

- Need to identify new organisations willing to support ZEP's activities.
- A number of suggestions received, more welcome!

# Net position



Goal of having ZEP-C accounts in balance by the end of 2017 is deliverable.

## Expenditure

Activity	Budget 2016 (€)	2016 to 31st July	2016 expected 1st Aug - 31st Dec	Total 2016	Budget 2017
Basic Comm & PA	122,941	94,962		94,962	
Admin / auditing	8,000	1,600	6,400	8,000	8,000
Website	5,000	2,850	2,150	5,000	5,000
Legal advice	2,000	2,400	1,200	3,600	2,000
Secretariat	120,750	120,750		120,750	
Chair	53,667	53,667	28,330	81,997	67,992
Contingency	2,833	2,134	699	2,833	2,833
<b>Total expenditure</b>	<b>315,191</b>	<b>278,363</b>	<b>38,779</b>	<b>317,142</b>	<b>85,825</b>

**Forecast 2016 + 2017 expenditure 402,967**

**Income Forecast 2016+2017 ZEP-C income 402,000**

**Net profit /loss -967**