

Meeting:	NuLeAF Annual General Meeting, 15 Oct 2009
Agenda Item:	5
Subject:	Finances and Staffing
Author:	Fred Barker
Purpose:	To provide a financial statement for 08-09, and report on staffing proposals and the prospects for future funding

Introduction

This report provides a financial statement for 08-09. It also outlines staffing proposals and prospects for future funding.

Recommendations

It is recommended that the AGM agree:

1. the out-turn statement for 2008-09
2. in principle that it wishes to continue to secure the services of an Executive Director and an Administrator/PA on further two year contracts from June 2010 and April 2010 respectively
3. to ask the 'employing authority' (Suffolk County Council), in liaison with the Chair and Vice-Chair, to consider whether to offer a contract extension to the current Executive Director
4. to ask the 'employing authority' and Executive Director to consider whether to offer a contract extension to the current Administrator/PA

Out-turn for Financial Year 2008-09

The out-turn statement for FY 2008-09 is attached. This shows an expenditure of £103,980.16 and income of £126,529.30. Adding the surplus of £22,549.14 to the reserves brought forward of £81,300.00 produces reserves carried forward of £103,849.14.

It was agreed at the AGM in October 07 that NuLeAF's accounts be audited by Suffolk County Council on an annual basis. The second annual audit confirms the out-turn for 2008-09. It also found that:

- Administration arrangements surrounding income and expenditure have improved since the last audit, with the majority of transactions holding a complete audit trail without further enquiry. Those which required further clarity were then able to be cleared with appropriate explanation and documentation.
- The Income and Expenditure Account includes all income and expenditure relating to NuLeAF transactions for the Financial Year 2008/2009. Audit Services were provided with prime documentation which was checked against information documented within the S.C.C Oracle financial management system. Supporting documentation for all expenditure has been verified by Audit Services.

Estimates for FY 09-10

The attached table also shows the estimated expenditure and income for FY 09-10

The estimated expenditure for 2009-10 is £123,915.00, which is higher than in 08-09. This allows for increases in expenditure on:

- salaries and on-costs, which is subject to national agreement;
- travel and accommodation (as a result of an increased number of meetings);
- room hire and catering (as a result of running a more extensive programme of seminars); and
- staff office costs and expenses (partly as a result of a move to home-working for the PA/administrator, and partly due to the way rebatement and re-spend on IT equipment has been allocated).

The estimated income is 129,010.00, including:

- A contribution of £50,000 from the NDA.
- An anticipated contribution of £50,000 from DECC in recognition of the input made on the MRWS programme. Restraints on government spending may mean that the full contribution is not paid (£15,000 received to date).
- An anticipated income of £26,101 from member authorities. This is slightly lower than originally anticipated due to the loss of two contributing members.
- An anticipated income of £3,000 from registration fees from non-contributing members and other bodies from the May and other proposed seminars.

Subject to receipt of all monies from DECC, the anticipated surplus for the year of £5,095.00 will be added to reserves. Taking into account the redundancy reserve contingency this generates an available end of year reserve of £98,944.14

Payments from Contributing Authorities in 2010-11

In view of the current financial climate it is proposed to hold the level of requested payments from contributing authorities in 09-10 to the current rates. This means that the levels would be:

Population	Annual Contribution 10-11
Up to 100k	£665
100k-200k	£995
200k-500k	£1330
500k-1m	£2035
Above 1m	£2660

Estimates for FY 2010-11

The estimated expenditure and income is £126,755.00 and £107,510.00 respectively. The estimate for income has been reduced compared to FY 09-10 in light of a possible split of NDA funding between NuLeAF and SCCORS. Strict government spending guidelines may also mean that the income from DECC is reduced or withdrawn. Early soundings will be taken to establish whether this is likely to be the case. If so, priority will be given to investigating alternative income streams.

On the basis of current assumptions, a resulting deficit of £19,245.00 can be met from reserves. The estimated reserve at the end of FY 10-11, once the redundancy contingency has been taken into consideration, would be £74,699.14.

Staffing

The contract for the Executive Director post comes to an end in June 2010 and that for the Administrator/PA in April 2010. Fred Barker and Catherine Draper have both indicated that they would wish to continue in post, if a contract extension was to be offered. It is recommended that the AGM agree in principle that it wishes to continue to secure the services of an Executive Director and Administrator/PA on a further two year contract from June 10/April 10 respectively. It is further recommended that the AGM agrees to:

- a) ask the 'employing authority' (Suffolk County Council), in liaison with the Chair and Vice-Chair, to consider whether to offer a contract extension to the current Executive Director; and
- b) to ask the 'employing authority' and Executive Director to consider whether to offer a contract extension to the current Administrator/PA.

NuLeAF out-turn for FY 2007/08 and projections for 2008/09 and 2009/10

	2008/09 Actual	2009/10 Estimates	2010/11 Estimates ¹
EXPENDITURE			
Salaries and wages ²	88,257.35	97,800.00	99,760.00
Travel expenses, accommodation and subsistence	10,617.49	15,400.00	16,330.00
Roomhire and catering ³	3,028.33	4,800.00	5,200.00
Hospitality	0	200.00	200.00
Printing, postage & stationery	636.63	1,200.00	1,200.00
Staff office costs and expenses ⁴	260.36	3,415.00	2,965.00
Audit costs	1,180.00	1,100.00	1,100.00
TOTAL	103,980.16	123,915.00	126,755.00
INCOME			
NDA ⁵	50,000.00	50,000.00	30,000.00
Local authorities ⁶	25,545.80	26,010.00	26,010.00
Defra/DECC ⁷	50,000.00	50,000.00	50,000.00
Regional seminars ⁸	983.50	3,000.00	1,500.00
TOTAL	126,529.30	129,010.00	107,510.00
Balance b/fwd	81,300.00	103,849.14	108,944.14
+/-: Surplus/loss for financial year	22,549.14	5,095.00	(19,245.00)
Reserve c/fwd	103,849.14	108,944.14	89,699.14
Redundancy reserve contingency ⁹	-NA-	(10,000.00)	(15,000.00)
Available reserve	-NA-	98,944.14	74,699.14

¹ FY 10-11 figures are based on the 2009/10 estimates. A second budgetary exercise is proposed for January 2010 which will generate a revised set of estimates, based on 9 months expenditure in FY 2009-10. This will be reported to the Steering Group on 27 January, 2010.

² Includes all 'on-costs' i.e. National Insurance and pension contributions. The 2009/10 costs include 2% for annual salary increase, which is subject to national negotiation.

³ Includes expenditure for Steering Group, Working Groups and Regional Seminars. An increased number of seminars were run in 09-10 in comparison to 08-09.

⁴ Included in office costs are telephone charges, mobile calls, website costs and sundry expenses. The expenditure figure in FY 08-09 is lower than originally anticipated because it includes a rebate of £904.00 on IT equipment. This was re-spent in FY 09-10, which increases the estimate for this year beyond that originally anticipated.

⁵ Estimated figure for FY 10-11 has been reduced as it is anticipated that funding will be split between NuLeAF and SCCORS. Funding bids have to be made each year.

⁶ Given the financial restrictions on local government it is considered unlikely that there will be any increase in the number of contributing members.

⁷ It is anticipated that the Defra/DECC funding for FY 09/10 will be paid as per previous years, in three tranches, August & November 09 and February 10. Funding bids have to be made each year. Government spending reviews may mean that the full £50,000 may not be received in 09/10 and 10/11.

⁸ More seminars were run in 2009/10 than 2008/09.

⁹ The projected increase in 2010-11 is because redundancy also becomes payable to the Administrator/PA assuming the contract is renewed in FY 10-11