

<b>Meeting:</b>	NuLeAF Annual General Meeting, 23 October, 2013
<b>Agenda Item:</b>	4
<b>Subject:</b>	Finances and Staffing
<b>Author:</b>	Catherine Draper
<b>Purpose:</b>	To provide a financial statement for 2012-13, and report on staffing proposals and the prospects for future funding

## **Introduction**

This report provides an audited financial statement for 2012-13, the budget for 2013-14 and draft budget for 2014-15. It also outlines staffing proposals and prospects for future funding.

## **Recommendations**

It is recommended that the AGM agree:

- 1) the out-turn statement for 2012-13;
- 2) to hold the level of requested payments from contributing authorities in 2014-15 to the current rates;
- 3) that the Steering Group keeps efforts to secure income under review at its meetings throughout 2014-15;
- 4) to accept the proposed financial guidelines;
- 5) in principle that it wishes to continue to secure the services of Executive Co-Directors and a Business Support Co-ordinator on further two year contracts from May/July 2014 and April 2014 respectively;
- 6) to ask the 'employing authority' (Suffolk County Council) to offer contract extension to Philip Matthews and Stewart Kemp; and
- 7) to ask the 'employing authority' (Suffolk County Council) to offer a contract extension to Catherine Draper.

## 1. Out-turn for Financial Year 2012-13

The out-turn statement for FY 2012-13 is shown in the attached table. This shows an expenditure of £108,785.97 and income of £108,394.22. This represents an overall reduction of expenditure of 1.9% as a result of recruiting the present Executive Co-Directors at a lower point in the salary grade. Income has increased by 19.5% as a result of an increased contribution from NDA (£75,000 against £50,000 in previous years) and payment of £7,250 for commissioned work carried out on behalf of LLWR Ltd on the Duty to Cooperate (please note that the work was carried out in FY 2013-14). The deficit of £391.75 was met from reserves, leaving a carry forward figure of £98,249.04

It was agreed at the AGM in October 2007 that NuLeAF's accounts be audited by Suffolk County Council on an annual basis. This year's annual audit confirms the outturn for 2012-13 and comments that the management of NuLeAF finances is effective.

## 2. Estimates for FY 2013-14

The attached table also shows the estimated expenditure and income for FY 2013-14. The estimated expenditure for FY 2013-14 is £112,270.35, which is £3,484.38 more than in FY 2012-13. This reflects an allowance of £2,000 for a new website (costs will be recouped by reduced hosting fees) and an allowance for inflation increases on travel and accommodation costs.

The estimated income is £100,690.00 including:

- A contribution of £75,000 from the NDA.
- An income of £20,690 from member authorities. This represents no change from FY2012-13
- An anticipated income of £5,000 for 'commissioned work'.

The anticipated shortfall of £11,580.35 can be met from reserves. Taking into account the redundancy reserve contingency this generates an available end of year reserve of £81,668.69.

## 3. Payments from Contributing Authorities in 2014-15

In view of the current financial climate it is proposed to hold the level of requested payments from contributing authorities in 2013-14 to the current rates. This means that the levels would be:

<b>Population</b>	<b>Annual Contribution 2014-15</b>
Up to 100k	£665
100k-200k	£995
200k-500k	£1330
500k-1m	£2035
Above 1m	£2660

#### **4. Estimates for FY 2014-15**

The attached table shows estimates for FY 2014-15.

The anticipated expenditure is £114,156.00, an increase on the previous year of £1885.65. This arises chiefly from an allowance of 1% increase on salary costs and £1000 for recruitment costs (see Staffing below).

Income has been reduced to reflect an anticipated reduction in the number of contributing members (although no indication has been received to date of any authority following this course and we would continue to seek to increase the number of contributing members).

The table shows an anticipated shortfall of £18,116.00, which could be met from reserves.

#### **5. Financial guidelines**

In response to comments received from the auditors and short list of financial guidelines has been prepared and is attached as Annex A. Although NuLeAF staff are employed by Suffolk County Council, because it is separately funded it is permissible for it to establish its own guidelines. The proposed guidelines would provide greater clarity for the auditors and would strengthen financial management within NuLeAF.

#### **6. Staffing**

The contracts for the current Executive Co-Directors posts come to an end in May and July 2014 and that for the Business Support Co-ordinator in April 2014. Philip Matthews, Stewart Kemp and Catherine Draper have all indicated that they would wish to continue in post, if a contract extension was to be offered. It is recommended that the AGM agrees in principle that it wishes to continue to secure the services of the Executive Co-Directors and Business Support Coordinator on further two year contracts from May 14/July 14 and April 14 respectively. It is further recommended that the AGM agrees:

- a) that in principle it wishes to continue to secure the services of Executive Co-Directors and a Business Support Co-ordinator on further two year contracts from May and July 2014 and April 2014 respectively;
- b) to ask the 'employing authority' (Suffolk County Council) to offer a contract extension to Philip Matthews and Stewart Kemp; and
- c) to ask the 'employing authority' (Suffolk County Council) to offer a contract extension to Catherine Draper.

## NuLeAF out-turn for FY 2012-13 and projections for 2013-14 and 2014-15

	2012-13 Actual	2013-14 Estimate	2014-15 Estimate
<b>EXPENDITURE</b>			
Salaries and wages <sup>1</sup>	91,989.20	95,324.00	96,278.00
Travel, accommodation and subsistence <sup>2</sup>	7,610.63	6,160.00	7,730.00
Room hire and catering <sup>3</sup>	4,613.16	4,800.00	4,900.00
Recruitment costs	178.00	0	0
Printing, postage & stationery	565.81	550.00	565.00
Staff office costs and expenses <sup>4</sup>	3,245.17	4,885.00	3,083.00
Professional services			
Audit costs	584.00	551.35	600.00
<b>Total</b>	<b>108,785.97</b>	<b>112,270.35</b>	<b>113,156.00</b>
<b>INCOME</b>			
NDA <sup>5</sup>	75,000.00	75,000.00	75,000.00
Local authorities <sup>6</sup>	20,690.00	20,690.00	15,040.00
NuLeAF seminars <sup>7</sup>	1,600.00	0	1,000.00
'Commissioned' work	11,104.22	5,000.00	5,000.00
<b>Total</b>	<b>108,394.22</b>	<b>100,690.00</b>	<b>96,040.00</b>
Balance b/fwd	98,640.79	98,249.04	86,668.69
+ /(-): Surplus/(loss) for financial year	(391.75)	(11,580.35)	(17,116.00)
<b>Reserve c/fwd</b>	<b>98,249.04</b>	<b>86,668.69</b>	<b>68,552.69</b>
Redundancy reserve contingency <sup>8</sup>	5,000.00	5,000.00	10,000.00
<b>Available reserve</b>	<b>93,249.04</b>	<b>81,668.69</b>	<b>51,452.69</b>

<sup>1</sup>Includes all 'on-costs', i.e. National Insurance and pension contributions. The difference between FY 2012-13 and FY 2013-14 is as a result of a period of six weeks with only one Executive Co-Director in place in FY 2013-12. An allowance has been made for a 1% increase in salaries in FY 2014-15, should Suffolk County Council choose to make an award.

<sup>2</sup>Travel, accommodation and subsistence costs are for NuLeAF staff. Estimated expenditure FY 2013-14 assumes a drop in number of meetings attended by both directors as compared to FY 2012-13, but a continued rise in rail costs.

<sup>3</sup>Includes expenditure for: Steering Group, Radioactive Waste Planning Group and Seminar.

<sup>4</sup>Included in office costs are telephone charges, mobile calls, website costs and sundry expenses. FY 2013-14 includes costs for new website (to be commissioned).

<sup>5</sup>NDA income for FY 2013-14 has been received. Discussions with NDA regarding funding for FY 2014-15 took place on 25 September. <sup>6</sup>A drop off in membership contributions has been anticipated for FY 2014-15 due to financial constraints experienced by local authorities.

<sup>7</sup>A suitable topic for a seminar in spring 2014 has not yet been identified.

<sup>8</sup>Redundancy is only payable after 2 years service with Suffolk CC.

## **Annex A**

### **NuLeAF Financial Guidelines**

#### **Claiming for expenses**

All expenses claims must be supported by valid receipts. These must be itemised receipts. The credit card receipt alone will not be acceptable. VAT receipts must be supplied where applicable. Expenses claims should be submitted in a timely fashion each month using the Suffolk County Council Travel and Subsistence Claim form, or recorded on line. A claim may be deferred to the next month if the total claim is under £20.00.

#### **Gratuities**

Staff may not reclaim gratuities. Care should be taken to ensure these are not added to bills paid using Suffolk County Council Pcard as this infringes the terms of use.

#### **Hospitality**

As a rule NuLeAF will not offer hospitality. An exception to this rule will only be made with the approval of Chair and Vice-Chair. An audit trail must be kept of the authorisation.

#### **Leaving presents**

NuLeAF will only give a leaving present to staff at the direction of the Chair and Vice-Chair. An audit trail must be kept of the authorisation. The value of the leaving gift will not exceed the value of Suffolk County Council's long service award.

#### **Office costs**

NuLeAF will reimburse reasonable office costs (phone line rental, broadband rental, phone call charges, stationery and postage). All claims must be supported by an itemised invoice. Staff should endeavour to ensure that any contract for services (phone/broadband) represents best value for money.

NuLeAF will purchase IT equipment where necessary. All purchases will be handled by the Business Support Co-ordinator

#### **Pcard expenditure approval**

It is noted that it would be good practice to seek authorisation of Pcard expenditure within a week of the closing period. However, due to the physical location of NuLeAF employees and the risks of entrusting receipts to the postal system, it is agreed that Pcard reports may be signed off once a quarter when staff meet at Steering Group meetings. Staff should be vigilant to ensure that the use of Suffolk County Council Pcard is not abused.

#### **Subsistence**

Staff can reclaim for reasonable subsistence costs where they are incurred when travelling on NuLeAF business. All claims must be accompanied by a VAT receipt. a claim may not be made for alcoholic drinks. Allowances are:

Breakfast (where not included in accommodation)	£8.00
Lunch	£10.00
Evening meal	£18.00
Refreshments (when travelling for more than 3 hours)	£3.50

### **Travel**

Travel arrangements will generally be made by the Business Support Co-ordinator. Any tickets purchased by NuLeAF staff should be bought using the Pcard and receipts submitted along with the used tickets. Where possible a receipt should be requested at the time of purchase.

As a rule only Standard Class rail tickets may be purchase. However, First Class rail tickets may be purchased when:

- a) the ticket price is cheaper than that of a Standard Class ticket; or
- b) the duration of the journey would mean that a meal would be purchased and the cost of the First Class ticket includes refreshments and is less than the cost of a Standard Class ticket plus subsistence.