

<b>Meeting:</b>	NuLeAF Annual General Meeting, 24 October, 2012
<b>Agenda Item:</b>	5
<b>Subject:</b>	Finances and Funding
<b>Author:</b>	Catherine Draper
<b>Purpose:</b>	To provide a financial statement for 2011-12, present the budget for 2012-13 and report on the prospects for future funding

### **Introduction**

This report provides a financial statement for 2011-12, the budget for 2012-13 and draft budget for 2013-14. It also outlines prospects for future funding.

### **Recommendations**

It is recommended that the AGM agree:

- 1) the out-turn statement for 2011-12;
- 2) to hold the level of requested payments from contributing authorities in 2013-14 to the current rates; and
- 3) that the Steering Group keeps efforts to secure income under review at its meetings throughout 2013-14.

## **Out-turn for Financial Year 2011-12**

The out-turn statement for FY 2011-12 is shown in the attached table. This shows an expenditure of £110,889.15 and income of £90,690.00. This represents a reduction of expenditure of 1.6%, but also a reduction of income of 21.6% on FY 2010-11, which had also dropped by 11% in the previous year. This is because DECC ceased to provide funding at the end of FY 2010-11. The deficit of £20,199.15 was met from reserves, leaving a carry forward figure of £98,640.79

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 out-turn for 2011-12 and comments that the management of NuLeAF finances is of a high standard.

## **Estimates for FY 2012-13**

The attached table also shows the estimated expenditure and income for FY 2012-13. The estimated expenditure for FY 2012-13 is £113,871.00, which is £2,981.85 more than in FY 2011-12. This arises from the increased office costs from the recruitment of the new Executive Co-Directors, increased travel costs whilst both Executive Co-Directors are attending meetings, and the necessity to hold a number of meetings outside Local Government House because of the pressure on room availability.

The estimated income is £101,690.00 including:

- A contribution of £75,000 from the NDA.
- An income of £20,690 from member authorities. This represents no change from FY2011-12
- An anticipated income of £1,000 from registration fees from non-contributing members and other bodies from a seminar to take place in March 2013.
- An anticipated income of £5,000 for 'commissioned work', carried out on behalf of the West Cumbria Managing Radioactive Wastes Partnership (regarding the process for siting a Geological Disposal Facility), and Somerset County Council (regarding their Waste Topic Paper).

Opportunities to attract additional funding from Site Licensee Companies (SLCs) at NDA sites and other sources, in return for the provision of specific advice, is being pursued.

The anticipated shortfall of £12,181.00 can be met from reserves. Taking into account the redundancy reserve contingency this generates an available end of year reserve of £82,459.79.

## Payments from Contributing Authorities in 2013-14

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 13-14</b>
Up to 100k	£665
100k-200k	£995
200k-500k	£1330
500k-1m	£2035
Above 1m	£2660

## Estimates for FY 2013-14 and beyond

The attached table shows estimates for FY 2013-14.

The anticipated expenditure is £119,010.00, an increase on the previous year of £5,139.00. This arises from an allowance of £2,000.00 to refresh the NuLeAF website (there should be the opportunity to secure a better annual webhosting rate, which will pay back the investment within 4 years), and provision to pay one spinal point increment per staff member should Suffolk County Council agree the award on successful completion of a personal development review.

Income is expected to remain unchanged with NDA already indicating that they will maintain the increased level of support for a further financial year.

The table shows an anticipated shortfall of £17,320.00, which could be met from reserves.

## NuLeAF out-turn for FY 2011-12 and projections for 2012-13 and 2013-14

	2011-12 Actual	2012-13 Estimate	2013-14 Estimate
<b>EXPENDITURE</b>			
Salaries and wages <sup>1</sup>	97,123.79	93,202.00	96,170.00
Travel, accommodation and subsistence <sup>2</sup>	5,564.92	10,180.00	10,740.00
Room hire and catering <sup>3</sup>	4,080.23	5,330.00	5,700.00
Recruitment costs	854.31	178.00	0
Printing, postage & stationery	471.75	720.00	780.00
Staff office costs and expenses <sup>4</sup>	2,228.65	3,611.00	4,970.00
Audit costs	565.50	650.00	650.00
<b>Total</b>	<b>110,889.15</b>	<b>113,871.00</b>	<b>119,010.00</b>
<b>INCOME</b>			
NDA <sup>5</sup>	50,000.00	75,000.00	75,000.00
Local authorities <sup>6</sup>	20,690.00	20,690.00	20,690.00
DECC <sup>7</sup>	0	0	0
NuLeAF seminars <sup>8</sup>	1,500.00	1,000.00	1,000.00
'Commissioned' work <sup>9</sup>	18,500.00	5,000.00	5,000.00
<b>Total</b>	<b>90,690.00</b>	<b>101,690.00</b>	<b>101,690.00</b>
Balance b/fwd	118,839.94	98,640.79	86,459.79
+ / (-): Surplus / (loss) for financial year	(20,199.15)	(12,181.00)	(17,320.00)
<b>Reserve c/fwd</b>	<b>98,640.79</b>	<b>86,459.79</b>	<b>69,139.79</b>
Redundancy reserve contingency <sup>11</sup>	17,500.00	4,000	5,000
<b>Available reserve</b>	<b>81,140.79</b>	<b>82,459.79</b>	<b>64,139.79</b>

<sup>1</sup>Includes all 'on-costs', i.e. National Insurance and pension contributions. The reduction in FY2012-13 is as a result of recruiting the new Executive Co-Directors at a slightly lower salary level and a period of six weeks with only one ExCoD in place. A small increase in FY2013-14 has been included to cover spinal point increment in case Suffolk CC makes this award.

<sup>2</sup>Travel, accommodation and subsistence costs are for NuLeAF staff. Estimated expenditure in FY 2012-13 allows for both Executive Co-Directors to attend meetings at the beginning of their tenure. The number of meetings for which expenses are not reimbursed has increased. Estimated expenditure 2013-14 assumes a drop in number of meetings attended by both directors, but a continued rise in rail costs.

<sup>3</sup>Includes expenditure for: Steering Group, Working Groups and Seminars. Difficulties in fixing dates in advance has led to the increased use of rooms outside Local Government House and resulted in an increase in room hire expenditure.

<sup>4</sup>Included in office costs are telephone charges, mobile calls, website costs and sundry expenses. FY2012-13 included costs for purchasing equipment for Stewart Kemp. FY2013-14 includes costs for new website.

<sup>5</sup>NDA income for 2012-13 has been received. Indications are that funding for FY2013-14 will be received and match that received for FY2012-13.

<sup>6</sup>It is hoped that financial contributions will remain stable for FY2013-14

<sup>7</sup>DECC ceased funding NuLeAF in FY2010-11.

<sup>8</sup>See proposal on agenda for October Steering Group meeting.

<sup>9</sup>This includes income from the West Cumbria Managing Radioactive Wastes Partnership (regarding the process for siting a Geological Disposal Facility) and for Somerset County Council on their Waste Topic Paper. There is also the potential for work to be carried out on behalf of Suffolk local authorities (regarding radioactive waste management aspects of new nuclear build) in FY2013-14. Commissioned work income reduced dramatically in FY2012-13 when the West Cumbria MRWS Stage 3 process concluded. The scope for NuLeAF participation in later stages is unknown at present.

<sup>10</sup> Reimbursements include re-claimable rail fares, subsistence and accommodation expenditure incurred by the ExCoDs whilst undertaking commissioned work or attending some meetings on NuLeAF's behalf. The decrease for FY2012-13 and FY2013-14 reflects the anticipated reduction in commissioned work.

<sup>11</sup> Redundancy is only payable after 2 years service with Suffolk CC, and so reflects the recruitment of 2 new ExCoDs.