

Meeting:	NuLeAF Steering Group, 22 June 2006
Agenda Item:	4
Subject:	NuLeAF Funding
Author:	Fred Barker
Purpose:	To provide a financial statement for 05-06 and report on the prospects for future funding

1 Introduction

This report provides a financial statement for 05-06 and reports on prospects for funding from the NDA, Nirex, DEFRA and member authorities.

2 Out-turn for Financial Year 2005/06

The out-turn statement for FY 05-06 is attached as Annex 1. This shows an expenditure of £30,245 and income of £94,500. Adding the surplus of £64,255 to reserves of £29,300 produces reserves carried forward of £93,555.

Expenditure in 05-06 was significantly lower than anticipated because of delay in appointment of the Executive Director.

3 Prospects for Funding in 2006/07 and 2007/08

Projections for the current and next financial years show increases in anticipated income to £117,500 and £137,500 respectively.

These increases are projected to arise from an increased level of contributions from member authorities and from funding from DEFRA. Funding from the NDA and Nirex is anticipated to be at reduced levels compared to FY 05-06.

The basis for these projections is as follows:

- **NDA:** A meeting was held between NuLeAF and NDA officers on 26 May. This reviewed NuLeAF activity and use of NDA funds in the FY 05-06. In principle the NDA is minded to make a financial contribution for this financial year, but this is likely to be at a reduced level because of a funding request from the new COSLA group on nuclear legacy management. A reduction from £60,000 to £45,000 has been assumed.
- **Nirex:** A meeting is being arranged between NuLeAF and Nirex officers to discuss use of Nirex funds in FY 05-06 and the scope for continued funding. A reduction from £25,000 to £12,500 has been assumed in recognition that Nirex is funded via the NDA.
- **DEFRA:** The possibility of funding has been discussed with a DEFRA official. He has indicated that the Interdepartmental Working Group on

Implementation could consider a funding request at its meeting on 4th July, linked to a request for DEFRA participation in the proposed programme of regional seminars (item 9). An annual payment of £40,000 has been assumed.

- Member Authorities: in order to ensure the longer-term financial viability of NuLeAF, it is necessary to substantially increase the level of financial contributions from member authorities. A request to authorities for contributions for this financial year has not yet been made. The text of a brochure that could be used to encourage contributions is attached as Annex 2 (this is also being used as a hand-out at the LGA conference fringe meeting). *Member views are sought on the most appropriate timing for a request for contributions from member authorities.* It is also suggested that the current sliding scale of contributions be reviewed at the AGM in October.

4 Projections for 2006/07 and 2007/8

Substantial increases in expenditure are projected for the current and next financial years, based largely on the need to meet salary and on-costs for NuLeAF staff. Expenditure related to the appointment of a Project Officer has been included in the projections (see agenda item 5).

The Steering Group will note that deficits of £6900 and £28,800 are projected for current and next financial years respectively. These deficits can be met from reserves, but in subsequent years income will have to be increased to match anticipated levels of expenditure.

3 Recommendation

It is recommended that the Steering Group:

- agree the out-turn statement for 2005/06
- express a view on the most appropriate timing for a request to member authorities for financial contributions
- review the level of contributions requested from member authorities at the AGM on 12 October.

NuLeAF out-turn for FY 2005/06 and projections for 2006/07 and 2007/08

EXPENDITURE	2005/06 ACTUAL	2006/07 ESTIMATES	2007/08 ESTIMATES
Exec Director	5,835.00 ¹	45,000.00 ⁷	66,000.00
Project Officer	-----	21,000.00 ⁸	43,000.00
Personal Asst	-----	23,500.00 ⁹	25,400.00
Exec Dir & PA Support	-----	9,000.00 ¹⁰	12,000.00
Secretariat Services	15,600.00 ²	10,000.00	5,000.00
Consultancy	4,350.00 ³	6,000.00	6,000.00
Expenses	1,585.00 ⁴	3,000.00	2,000.00
Room Hire/Catering	1,000.00 ⁵	3,000.00	3,000.00
Print & Design	1,705.00 ⁶	3,500.00	3,500.00
Postage	170.00	400.00	400.00
TOTAL	30,245.00	124,400.00	166,300.00
INCOME			
NDA	60,000.00	45,000.00 ¹¹	45,000.00
NIREX	25,000.00	12,500.00 ¹²	12,500.00
Local Authorities	9,500.00	20,000.00 ¹³	40,000.00
DEFRA	-----	40,000.00 ¹⁴	40,000.00
TOTAL	94,500.00	117,500.00	137,500.00
Surplus +/-	64,255.00	-6,900.00	-28,800.00
Reserves b/f	29,300.00	93,555.00	86,655.00
Reserves c/f	93,555.00	86,655.00	57,855.00

Notes

1. Actual costs for Exec Director salary and 'on costs' (pension and NI) are much lower than originally projected because of delay in appointment. The costs include a charge from Suffolk County Council for costs incurred for establishing and advertising Exec Director post. 100% estimated costs applied in 2007/08.
2. 2005/06 charge arises from the Joint Cumbria & Manchester Secretariat staff hours logged, apportioned employers costs and office overheads. It is anticipated that these costs will decrease in current and next financial years.
3. NuLeAF contributed £4,000 to Enviro Community Benefit research. Small fees were paid on two occasions for presentations to the April 2005 and July 2005 NuLeAF meeting.
4. Travel, hotel and out-of-pocket expenses paid to speakers invited to NuLeAF meetings and to Secretariat staff conducting NuLeAF business.
5. Room hire and meeting catering charges (7 items totalling £1,000 precisely!).
6. Production of letterhead, folders and NuLeAF displays.
7. Post will not be filled on a full-time basis until 1 September 2006 therefore salary and 'on costs' are not for a full year.
8. Projected salary, pension/NI and office costs for Project Officer, starting in October 06.
9. Post commenced on 15 May 2006 therefore salary and 'on costs' are not for a full year.
10. Estimates for Exec Director & PA travel and expenses and other ED office overheads.
11. NuLeAF has applied for repeat NDA funding in the current FY. Preliminary indications are that this request will be successful, but at a reduced rate.
12. NuLeAF will apply for repeat Nirex funding in the current FY. It is anticipated that this will be at a reduced rate.
13. Target income from LAs in FY 2006/07 is £20,000, increasing to £40,000 in 2007/08.
14. NuLeAF is applying for DEFRA funding in 2006/07.



LOCAL GOVERNMENT AND NUCLEAR LEGACY MANAGEMENT

Developments in nuclear legacy management are taking place that could have a wide ranging impact on local authorities and the communities they represent. These developments include:

- proposals for a new process for siting a geological disposal facility for Intermediate and High Level radioactive wastes
- the possibility of increased use of landfill, incineration and near surface disposal on nuclear sites for Low Level radioactive wastes
- discussion about consolidation of the storage of Intermediate Level radioactive wastes on a smaller number of sites.

A substantial number of communities could be affected by these developments, including:

- those that currently host a nuclear facility
- communities where nuclear facility workers live
- communities through which radioactive waste is transported
- communities with landfill sites or incineration facilities
- communities that might be invited to host a geological disposal repository

It is important that local government is able to give these communities a voice in future developments.

The Nuclear Legacy Advisory Forum has been established under the auspices of the Local Government Association to do just that.

NuLeAF Aims

NuLeAF's aims include to:

- Develop aspects of policy on nuclear legacy management that are 'agenda-setting' at the national level;
- Respond effectively and promptly to national consultations on legacy management issues;
- Represent the views of member authorities in discussion with national bodies; and
- Build the capacity within local government to engage effectively with nuclear legacy management, by expanding membership and providing an effective advisory and research service.

NuLeAF has member authorities from those that host licensed nuclear sites and from those with wider interests or concerns about nuclear legacy issues. A similar body has recently been established in Scotland.

Recent Activities on behalf of Member Authorities

NuLeAF has recently responded to the following national consultations:

- Nuclear Decommissioning Authority (NDA) - Draft Strategy
- HSE - Criteria for Delicensing Nuclear Sites
- Committee on Radioactive Waste Management (CoRWM) – the Committee's draft recommendations to Government
- DEFRA - Low Level Waste Management Policy

NuLeAF participates in various meetings and fora on behalf of members:

- the NDA National Stakeholder Group
- the CoRWM National Stakeholder Forum
- CIRIA projects on sustainable practices for the use of resources from site decommissioning and on the management and rehabilitation of nuclear contaminated sites

NuLeAF recently commissioned research on processes for implementing policy on long-term radioactive waste management. This suggested a model process based on the principles of 'willingness to participate', 'rights of withdrawal', 'partnership' and participation/benefits packages, with a central decision-making role for local authorities, particularly with regards to opting in or out of a siting process. This research formed the basis for presentations to Government and the development of NuLeAF policy.

NuLeAF Membership and Steering Group

NuLeAF's activities are overseen by a Steering Group of representatives from member authorities. The Steering Group has an elected Chairman – Councillor Geoff Blackwell of Copeland Borough Council - and an elected Vice Chair - Councillor Bill Risby of Manchester City Council.

There are two types of members:

Contributing Members, as the name implies, contribute financially to NuLeAF. They form the Steering Group and are eligible to vote on issues, manage NuLeAF business and represent the Forum on outside bodies.

Corresponding Members do not contribute financially. These member authorities are kept informed of NuLeAF's work and are consulted by the Steering Group on radioactive waste management issues. They are welcome to attend Steering Group meetings, but they do not have a vote.

Meetings of the Steering Group are held quarterly in different parts of the UK.

Future Development

Over the coming months, NuLeAF intends to expand its work and services to member authorities. Activities being planned include:

- *Member Authority Database*: developing a database of Member Authority reports, activities and policy on nuclear legacy management;
- *Advice to Member Authorities*: providing advice or guidance notes to member authorities on specific aspects of nuclear legacy management;
- *Promote 'Best Practice'*: identifying and promoting examples of 'best practice' in local government regarding involvement in nuclear legacy management;
- *E-bulletin*: to keep member authorities up-to-date with developments;
- *Research*: commissioning research to inform local authority engagement on nuclear legacy management issues;
- *Workshops/Conferences*: to promote discussion and learning; and
- *Local Government Policy*: development of policy positions on nuclear legacy management for adoption by member authorities and the Local Government Association.

In order to bring this work to fruition, NuLeAF needs to increase the number of Contributing Members.

Become a Contributing Member

Annual costs of becoming a Contributing Member are currently as follows:

<u>Population</u>	<u>Rate</u>
A. up to 100k	£ 500
B. 100k - 200k	£ 750
C. 200k - 500k	£1,000
D. 500k - 1,000,000	£1,500
E. above 1,000,000	£2,000

Please consider becoming a Contributing Member.

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