

Meeting:	NuLeAF Annual General Meeting, 20 th March 2019
Agenda Item:	4
Subject:	Finances and Funding
Author:	Catherine Draper
Purpose:	To review the expected out-turn for 2018-19, provide a budget for 2019-20, and report on the prospects for future funding

Introduction

This report provides an overview of income and expenditure to date for 2018-19, a draft budget for 2019-20 and also considers prospects for future funding.

Recommendations

It is recommended that the AGM agree:

- 1) the proposed budget for FY2019-20; and
- 2) to set contributing membership fees for FY2019-20.

1. Estimates for FY 2018-19

The attached table shows the estimated expenditure and income for FY 2018-19. The estimated expenditure for FY 2018-19 is £159,260 which is around £40,469 more than in FY 2017-18. This is largely due to incurring consultancy fees as part of a piece of work carried out on behalf of RWM, but there is a reciprocal increase in income (see below) to cover the cost. There was also an increase in the IT budget to cover replacing the Executive Director's laptop and an increase in international travel costs, the latter being covered by grant funding from IAEA.

The estimated income is £160,418 including, which is an increase of £38,358 on 2017-18, and includes:

- A combined contribution of £102,000 from the NDA and RWM.
- An income of £18,130 from member authorities.
- An income of £5,104 for 'commissioned work' arising from specific project-related work for NDA and RWM.
- A contribution of £1,000 from LLWR Ltd towards costs of the dinner for GMF and NuLeAF members as part of the NDA Stakeholder Summit.
- Funding from RWM to cover the consultancy fees incurred as part of a piece of work for them ahead of the launch of the Geological Disposal Facility siting process.

- Funding of £3,512 from IAEA to cover participation by 4 NuLeAF members in the technical meeting in Vienna in November 2018.

RWM has indicated that it would like to commission further work before the end of the financial year, but this has not been included as no definite undertaking has been received.

This will give an **anticipated surplus of £1,158** which gives reserves of £83,893.74 at 31st March 2019.

2. Budget for 2019-20

The attached table also shows the estimated expenditure and income for FY 2019-20. The estimated expenditure for FY 2019-20 is £126,249 which is £30,968 less than in FY 2018-19 as, at present, there is no indication there will be further large-scale project work for RWM. However, it is possible that the further work RWM has proposed to commission in FY2018-19 may in fact take place in FY2019-20.

The estimated income is £128,165 including:

- A combined contribution of £102,000.00 from the NDA and RWM.
- An income of £20,165.00 from member authorities, which assumes all current contributing members remain, with the addition of Gloucestershire County Council who have indicated that they wish to become contributing members.
- An anticipated income of £5,000 for 'commissioned work'. This will arise from specific project-related work for NDA and RWM.

This will give an **anticipated surplus of £1,916** which gives reserves of £85,809.74 at 31st March 2020 from which redundancy payments of £25,250 could be met should the need arise.

3. Future funding

The NuLeAF Executive Director has met with RWM and NDA to discuss funding for 2019-20.

RWM has been advised that they will have to tender for the work and support provided by NuLeAF due to advice they have received on procurement practice. Whilst this is a departure from practice in previous years, and engenders an element of uncertainty, NuLeAF offers unique access to local authorities, and the secretariat are confident they can provide a compelling bid and secure funding. Should the bid be successful, the funding awarded will be for three years, providing longer term financial reassurance. Should the bid be unsuccessful, NuLeAF has reserves which would enable it to operate for approximately 6 months in which time alternative sources of funding, or an alternative operating model would be sought. The timing

for the tender process is not clear and may extend into Financial Year 2019/20 – NuLeAF are awaiting further information from RWM on this.

An outline plan for work with NDA has been discussed and is in the process of being developed. The level of funding from NDA for next year is not yet clear but it is hoped that it will at least be in line with that provided in 2018/19.

A further verbal update on discussions with NDA and RWM will be provided to Steering Group at the meeting.

The increased funding provided by RWM and NDA in the past few years is very welcome and has enabled NuLeAF to stabilise our financial situation and modestly enhance our reserves for the first time in many years. NuLeAF is very grateful for this support.

NuLeAF could not continue without the financial contributions from our member authorities. Member contributions have largely been maintained in recent years and we would like to express our gratitude to those local authorities that contribute financially to our work. By providing a centralised resource, NuLeAF is able to provide a service at far lower cost to councils than any alternative, but we will continue to work to enhance our support. We will also seek to engage with other member authorities who are not already contributing members, especially those with NDA sites within their boundaries, to provide funding to enable our work to continue.

4. Membership fees

NuLeAF's membership fees have remained unchanged since 2009, and it considers in light of the financial constraints under which member authorities work that fees should be held at their current level for a further year.

Population	Membership
Up to 100,000	£665
100,000 to 199,999	£995
200,000 to 499,999	£1,330
500,000 to 999,999	£2,035
Over 1 million	£2,660

Annex A: NuLeAF expected out-turn for 2018-19 and projections for 2019-20

	2018-19 Expected out-turn	2019-20 Budget
EXPENDITURE		
Salaries and wages ¹	105,409.00	107,924.00
Travel, accommodation and subsistence ²	14,655.00	11,000.00
Room hire and catering ³	4,894.00	3,900.00
Printing, postage, stationery	90.00	100.00
IT costs	845.00	390.00
Audit costs ⁴	0	0.00
Miscellaneous expenses ⁵	51.00	0.00
Communication charges	1,647.00	1,760.00
Subscription to professional body (GMF)	1,100.00	1,100.00
Consultants fees	30,494.00	0.00
Conference attendance fees	75.00	75.00
Total	£159,260.00	£126,249.00
INCOME		
NDA ⁶	30,000.00	30,000.00
RWM ⁶	72,000.00	72,000.00
Local authorities	18,130.00	20,165.00
Grants (IAEA travel & accomm & LLWR)	4,690.00	1,000.00
'Commissioned' work	35,598.00	5,000.00
Total	£160,418.00	£128,165.00
Balance b/fwd	£82,735.74	£83,893.74
+ / (-): Surplus / (loss) for financial year	£1,158.00	1,916.00
Reserve c / fwd	£83,893.74	£85,809.74
Redundancy reserve contingency ⁸		25,250.00
Available reserve		£60,559.74

1. Includes all 'on-costs', i.e. National Insurance and pension contributions.
2. Travel, accommodation and subsistence costs are for NuLeAF staff and includes insurance. This was high in 2018-19 as four NuLeAF members attended the IAEA conference in Vienna in November. It is understood that there will be no further meetings of this group in 2019-20, although the Executive Director has been invited to be part of the working group following up the meeting outcomes. Grant funding to cover costs from IAEA is expected.
3. Costs were higher in 2018-19 than expected as external rooms (not 18 Smith Square) were booked for 2 Steering Group meetings in London in order to allow capacity for a large attendance.
4. The audit is undertaken, at no cost, by Peter Frost, Head of Audit, Suffolk County Council.
5. Floral tribute for the funeral of David Loudon of NDA.
6. Discussions are taking place with NDA and RWM regarding financial contributions for 2019-20
7. Redundancy would only arise should NuLeAF ceased to operate and alternative employment not be found for the existing members of staff.