

Meeting:	NuLeAF Annual General Meeting, 21 Oct 2011
Agenda Item:	5
Subject:	Finances and Staffing
Authors:	Fred Barker and Catherine Draper
Purpose:	To provide a financial statement for 2010-11, and report on staffing proposals and the prospects for future funding

Introduction

This report provides a financial statement for 2010-11. It also outlines staffing proposals and prospects for future funding.

Recommendations

It is recommended that the AGM agree:

- 1) the out-turn statement for 2010-11;
- 2) to hold the level of requested payments from contributing authorities in 2012-13 to the current rates;
- 3) that the ED, in liaison with the Chair and Vice-Chair, consider the scope for making cases to (a) Government and (b) SLCs for project-related funding in FY 2012-13;
- 4) that the Steering Group keeps efforts to secure income under review at its meetings throughout 2012;
- 5) in principle that it wishes to continue to secure the services of an Executive Director and an Business Support Co-ordinator on further two year contracts from June 2012 and April 2012 respectively;
- 6) 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; and
- 7) to ask the 'employing authority' and Executive Director to consider whether to offer a contract extension to the current Business Support Coordinator.

Out-turn for Financial Year 2010-11

The out-turn statement for FY 2010-11 is shown in the attached table. This shows an expenditure of £112,719.93 and income of £115,754.82. This represents a reduction of expenditure of 4.5%, but also a reduction of income of 11% on FY 2009-10. Adding the surplus of £3,034.89 to the reserves brought forward of £115,805.05 produces reserves carried forward of £118,839.94.

It was agreed at the AGM in October 07 that NuLeAF's accounts be audited by Suffolk County Council on an annual basis. This year's annual audit confirms the out-turn for 2010-11 and comments that the overall management of NuLeAF finances is effective.

Estimates for FY 2011-12

The attached table also shows the estimated expenditure and income for FY 2011-12. The estimated expenditure for FY 2011-12 is £115,775.00, which is £3,055.07 more than in 10-11. This allows for inflationary increases in expenditure and a rise in NI contributions.

The estimated income is £95,190.00 including:

- A contribution of £50,000 from the NDA.
- An income of £20,690 from member authorities. This is lower than 10-11 due to the loss of two contributing members (Barrow-In-Furness Borough Council and Lancashire County Council).
- An anticipated income of £1,000 from registration fees from non-contributing members and other bodies from a seminar to take place in March 2012.
- An anticipated income of £20,000 for 'commissioned work', carried out on behalf of the West Cumbria Managing Radioactive Wastes Partnership (regarding the process for siting a Geological Disposal Facility).
- The Secretariat has been advised that there will be no grant income from DECC in this financial year.

The anticipated shortfall of £20,585.00 can be met from reserves. Taking into account the redundancy reserve contingency this generates an available end of year reserve of £84,054.94.00.

Payments from Contributing Authorities in 2012-13

In view of the current financial climate it is proposed to hold the level of requested payments from contributing authorities in 2012-13 to the current rates. This means that the levels would be:

Population	Annual Contribution 12-13
Up to 100k	£665
100k-200k	£995
200k-500k	£1330
500k-1m	£2035
Above 1m	£2660

Estimates for FY 2012-13 and beyond

The attached table shows estimates for FY 2012-13. Assumptions are: no increase in staffing costs; 5% increase in purchasing costs (based on RPI inflation at 5% on 1 August 2011); continuing trend of a small decrease in the number of local authorities giving financial support; static income from NDA and no income from DECC. The table shows an anticipated shortfall of just under £36,000, which could be met from reserves.

If a similar shortfall were incurred in the 2013-14, the available reserve at the end of the FY in 2014 would be a few thousand pounds.

At its meeting on 1 October 2010, the Strategy Review Group agreed that steps should be taken to seek to maintain existing funding and to raise new income. The steps included:

- Representations to Government and NDA – these were made with mixed results. Some funding was secured from Government for 2010-11, but not for subsequent years. Funding was secured from NDA for 2010-11 and 2011-12. Decisions about funding from NDA in subsequent years are to be made on an annual basis.
- Exploring the possibility of securing funding from Site Licensee Companies (SLCs) – this has not yet been done.
- Increasing ‘commissioned’ income from work carried out for member authorities – funding has been secured for the Executive Director’s input to the West Cumbria MRWS Partnership, but this is likely to cease by the end of the current FY. The scope for future commissioned income will then depend on whether the relevant local authorities decide to participate in the GDF siting process, and whether NuLeAF input is invited. It is anticipated that a modest amount of commissioned work will be forthcoming from Suffolk CC in relation to the radioactive waste management aspects of the proposed Sizewell C station.

It is recommended that:

- that the ED, in liaison with the Chair and Vice-Chair, consider the scope for making cases to (a) Government and (b) SLCs for project-related funding for FY 2012-13; and
- the Steering Group keeps efforts to secure income under review at its meetings throughout 2012.

Staffing

The contract for the Executive Director post comes to an end in June 2012 and that for the Business Support Co-ordinator in April 2012. 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 Business Support Coordinator on a further two year contract from June 12/April 12 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 Business Support Coordinator.

NuLeAF out-turn for FY 2010-11 and projections for 2011-12 and 2012-13

	2010-11 Actual	2011-12 Estimate	2012-13 Estimate
EXPENDITURE			
Salaries and wages ¹	96,862.92	98,045.00	98,045.00
Travel, accommodation and subsistence ²	9,117.54	10,815.00	7,130.00
Room hire and catering ³	3,207.84	3,400.00	3,560.00
Printing, postage & stationery	521.51	610.00	637.00
Staff office costs and expenses ⁴	2,419.42	2,255.00	2,365.00
Audit costs	590.70	650.00	600.00
Total	112,719.93	115,775.00	112,337.00
INCOME			
NDA ⁵	50,000.00	50,000.00	50,000.00
Local authorities ⁶	24,015.00	20,690.00	18,500.00
DECC ⁷	20,000.00	0	0
NuLeAF seminars ⁸	1,400.00	1,000.00	1,000.00
'Commissioned' work ⁹	18,285.26	20,000.00	6,000.00
Reimbursements ¹⁰	2,054.56	3,500.00	1,000.00
Total	115,754.82	95,190.00	76,500.00
Balance b/fwd	115,805.05	118,839.94	98,254.94
+/(-): Surplus/(loss) for financial year	3,034.89	(20,585.00)	(35,837.00)
Reserve c/fwd	118,839.94	98,254.94	62,417.94
Redundancy reserve contingency ¹¹	17,500.00	14,200.00	17,200.00
Available reserve	101,339.94	84,054.94	45,217.94

¹Includes all 'on-costs' i.e. National Insurance and pension contributions. .

²Travel, accommodation and subsistence costs are for NuLeAF staff. Estimated expenditure in 2012-13 has been reduced in line with the anticipated decrease in commissioned work.

³Includes expenditure for Steering Group, Working Groups and Seminars.

⁴Included in office costs are telephone charges, mobile calls, website costs and sundry expenses.

⁵NDA income for 2011-12 has been received. Decisions about funding in subsequent years are to be made on an annual basis.

⁶Given the financial restrictions on local government it is considered likely that there will be a continued small decline in contributing membership numbers in 2012-13

⁷NuLeAF has been advised by DECC that there will be no grant funding for 2011-12.

⁸See proposal on agenda for October Steering Group meeting.

⁹This includes income from the West Cumbria Managing Radioactive Wastes Partnership (regarding the process for siting a Geological Disposal Facility) and for potential work carried out on behalf of Suffolk local authorities (regarding radioactive waste management aspects of new nuclear build). Commissioned income is likely to be reduced in FY12-13 as the work of the WC MRWS Partnership is likely to come to an end.

¹⁰ Reimbursements include re-claimable rail fares, subsistence and accommodation expenditure incurred by the ED whilst undertaking commissioned work or attending meetings on NuLeAF's behalf. The decrease for FY12-13 reflects the anticipated reduction in commissioned work.

¹¹ Estimates now reflect a revised formula provided by Suffolk CC.