

<b>Meeting:</b>	NuLeAF Annual General Meeting, 11 <sup>th</sup> March 2020
<b>Agenda Item:</b>	4
<b>Subject:</b>	Finances and Funding
<b>Author:</b>	Catherine Draper
<b>Purpose:</b>	To review the expected out-turn for 2019-20, provide a budget for 2020-21, and report on the prospects for future funding

## **Introduction**

This report provides an overview of income and expenditure to date for 2019-20, a draft budget for 2020-21 and also considers prospects for future funding.

## **Recommendations**

It is recommended that the AGM agree:

- 1) the proposed budget for FY2020-21; and
- 2) to set contributing membership fees for FY2020-21.
- 3) agree the proposed amendments to the NuLeAF Financial Guidelines.

### **1. Estimates for FY 2019-20**

The attached table shows the estimated expenditure and income for FY 2019-20. The estimated expenditure for FY 2019-20 is £127,072, which is slightly lower than budgeted due to a small number of items of expenditure not occurring (all London meetings were held at Smith Square, and anticipated expenditure on travel and accommodation to cover the Executive Director's attendance at Siting Partnership meetings did not arise due to delays in the GDF programme.)

The estimated income is £137,253 comprising:

- A contribution of £30,000 from the NDA plus £2,000 commissioned work (supporting Stakeholder Summit and socio-economic/skills meetings)
- A contribution of £85,000 from RWM, which includes £6,000 towards project work.
- An income of £18,695 from member authorities.
- Funding of £1,558.32 from IAEA to cover travel, accommodation and subsistence costs from the Executive Director's trip to Vienna in June 2019 to assist in preparation of the report arising from the previous technical meetings.

This will give an **anticipated surplus of £10,180** which gives reserves of £97,941 at 31<sup>st</sup> March 2020.

## **2. Budget for 2020-21**

The attached table also shows the estimated expenditure and income for FY 2020-21. The estimated expenditure for FY 2020-21 is £127,102.00, a slight increase on the previous year.

The estimated income is £129,695.00 comprising:

- A contribution of £30,000.00 from the NDA, plus £2,000 commissioned work for supporting local authority attendance at the NDA Stakeholder Summit. This is subject to confirmation by NDA.
- A contribution of £79,000 from RWM. This is subject to NuLeAF being successful in its bid to win the contract to support RWM in its engagement with local authorities. The outcome of the tender is expected on 20<sup>th</sup> March 2020.
- An income of £18,695.00 from member authorities, which assumes all current contributing members remain.
- At present, it is not known if the next meeting at the IAEA will take place in FY2020-21, consequently an allowance for funding from IAEA has not been included.

This will give an **anticipated surplus of £2,593.00** which gives reserves of £100,919.33 at 31<sup>st</sup> March 2021 from which redundancy payments of £30,000 could be met should the need arise.

## **3. Future funding**

The NuLeAF Executive Director has held a teleconference with John McNamara of NDA to discuss future funding and the 2020-21 work programme. Key areas of work have been agreed and a draft work programme will be prepared for agreement. A financial settlement has not yet been agreed.

NuLeAF has submitted a bid for the contract with RWM to provide support to its work with local authorities. The outcome of this will be known on 20<sup>th</sup> March 2020.

Should NuLeAF not be successful in its bid then will use its reserves to continue to operate while it seeks alternate sources of funding.

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.

<b>Population</b>	<b>Membership</b>
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

#### 5. Changes to NuLeAF Financial Guidelines.

In 2013, NuLeAF adopted a set of Financial Guidelines which have remained unchanged to date. It is proposed that new subsistence rates to reflect price increases and an amendment to the guidance on purchasing first class rail tickets is agreed. The amendments are as follows:

##### *5.1 Subsistence rates*

	<b>Current rate</b>	<b>Proposed rate</b>
<b>Breakfast</b>	£8.50	£9.50
<b>Lunch</b>	£10.00	£11.00
<b>Evening meal</b>	£18.00	£18.00
<b>Refreshments (if journey over 3 hours)</b>	£3.50	£3.50

##### *5.2 First class travel*

The current guidelines state that a First Class ticket may be purchased when

- the ticket price is cheaper than that of a Standard Class ticket; or
- 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.

It is proposed that the second clause is amended to:

- a journey is over 4 hours duration, and the price difference between First and Standard Class is reasonable.

## Annex A: NuLeAF budget and expected out-turn for 2019-20 and projections for 2020-21

	<b>Budget 2019-20</b>	<b>2019-20 Expected out-turn</b>	<b>Budget 2020-21</b>
<b>EXPENDITURE</b>	<b>£</b>	<b>£</b>	<b>£</b>
Salaries and wages <sup>1</sup>	107,924.00	107,924.00	110,644.00
Travel, accommodation and subsistence <sup>2</sup>	9,355.00	6,994.36	8,205.00
Room hire and catering <sup>3</sup>	3,900.00	2,314.65	4,100.00
Printing, postage, stationery	110.00	82.06	115.00
IT costs <sup>4</sup>	555.00	660.93	613.00
Audit costs <sup>5</sup>	0	0	0
Communication charges	1,710.00	1,482.61	1,550.00
Subscription to professional body (GMF) <sup>6</sup>	1,100.00	1,700.00	1,700.00
Consultants fees <sup>7</sup>	6,000.00	5,914.29	0
Conference attendance fees <sup>8</sup>	75.00	0	75.00
<b>Total</b>	<b>129,629.00</b>	<b>127,072.90</b>	<b>127,102.00</b>
<b>INCOME</b>			
NDA <sup>9</sup>	30,000.00	30,000.00	30,000.00
RWM <sup>10</sup>	85,000.00	85,000.00	79,000.00
Local authorities	17,365.00	18,695.00	18,695.00
Grants (IAEA travel & accommodation) <sup>11</sup>	1,558.32	1,558.32	0
'Commissioned' work	5,000.00	2,000.00	2,000.00
<b>Total</b>	<b>140,923.32</b>	<b>137,253.32</b>	<b>129,695.00</b>
Balance b/fwd		<b>87,760.91</b>	97,941.33
+ / (-): Surplus / (loss) for financial year	11,294.32	10,180.42	2,593.00
<b>Reserve c/fwd</b>		<b>97,941.33</b>	<b>100,534.33</b>
Redundancy reserve contingency <sup>12</sup>		25,250.00	30,000.00
<b>Available reserve</b>		<b>72,691.33</b>	<b>70,534.33</b>

<sup>1</sup> Includes National Insurance & pension contributions. 2.5% increase included in budget for 2020-21, but pay award not yet settled.

<sup>2</sup> An allowance had been included in 2019-20 for travel to GDF Partnership group meetings, however, these have not yet taken place. Allowance now included in 2020-21 budget for same.

<sup>3</sup> Spend lower than anticipated as did not need to hire external meeting rooms in this period.

<sup>4</sup> Costs higher than budgeted due to purchase of new printer/copier/scanner for Executive Director.

<sup>5</sup> Audit is carried out free of charge by Peter Frost, Head of Internal Audit, Suffolk County Council.

<sup>6</sup> An increase in GMF membership fees was agreed at their 2019 AGM. However, this also saw the election of NuLeAF's Executive Director to the role of Vice-President which means that his hotel and travel costs will now be covered by GMF.

<sup>7</sup> These pertain to a piece of work carried out on behalf of RWM and was covered by an increase in grant funding.

<sup>8</sup> The Welsh LGA Conference was cancelled in 2019.

<sup>9</sup> Discussions with NDA on funding for 2020-21 are on-going.

<sup>10</sup> NuLeAF has submitted a tender for the RWM contract for supporting work with local authorities. The outcome will be announced on 20<sup>th</sup> March 2020.

<sup>11</sup> The date for the next IAEA meeting has not been yet set and may not fall until 2021.

<sup>12</sup> Redundancy would only arise should NuLeAF ceased to operate and alternative employment not be found for the existing members of staff.