

**SOUTH EAST ENGLAND COUNCILS
ANNUAL GENERAL MEETING & ALL-MEMBER MEETING**



Date: 13 July 2011

Subject: **Financial report: SEEC accounts for 2010-11 and subscriptions 2011-12 and 2012-13**

Report by: Cllr Paul Watkins, SEEC Secretary & Treasurer

Recommendations:

Members are asked to:

- i) Note the SEEC accounts for 2010-11
- ii) Record thanks to Buckinghamshire CC for providing accounts support to SEEC for the past two years and to Surrey CC, who host the SEEC payroll and office
- iii) Offer officer support to help SEEC agree a suitable investment policy for reserves
- iv) Agree recommendations on freezing SEEC subscription levels for two years and commit to continuing in SEEC membership for 2011-12
- v) Note the withdrawal of a number of resignations.

1. SEEC accounts

- 1.1 For 2009-10 and the majority of 2010-11, Buckinghamshire CC handled SEEC finances. Buckinghamshire received all SEEC subscriptions, paid the majority of invoices and handled VAT. Some invoices in 2010-11 were paid by SEERA Ltd as it had been planned to transfer accounts to SEERA – but this decision was reversed when it became clear that SEERA would go into liquidation.
- 1.2. Two sets of accounts for 2010-11 in Annex 1 (from SEERA and Buckinghamshire for their respective periods) both show surpluses, as SEEC did not have full staffing for much of the year. In addition, funds from liquidation of SEERA Ltd (£725,000 of former regional assembly reserves) and refunds for SESPM costs and the now defunct SEE-IN project gave SEEC some £889,000 to start the current financial year. It is possible that a further amount of around £20,000-£30,000 may be payable when the liquidation of SEERA Ltd is complete.
- 1.3 From April 2011, SEEC has taken on direct management of its own finances and bank account and will use external accountants to provide support as needed. SEEC will also host the SESPM grant from UKBA and keep accounts for SESPM.
- 1.4 SEEC would welcome advice on investment policy from a member local authority finance team – to help inform member decisions on managing reserves and achieving a return on investments. Members are asked to contact the SEEC secretariat with offers of suitable officer support.

2. Subscriptions for 2011-12

- 2.1 The SEEC constitution specifies that membership subscriptions should be discussed by the Executive Committee in December each year. On 7 December 2010, the Executive recommended freezing 2011-12 subscriptions at last year's levels. We now propose to extend this freeze to 2012-13. Rates are:
 - £1,705 per district
 - Unitary councils pay £1,705 for each 50,000 population
 - County councils multiply the £1,705 by the number of districts in their county.
 See paragraph 2.4 below for a full table of subscription rates.

- 2.2 Last year's membership (71 councils) would raise £252,340 in subscriptions. Estimated running costs for SEEC in 2011-12 are £359,000. Some £9,000 costs are funded by SESPM, leaving around £100,000 to be funded from SEEC reserves, potentially more if some councils decide to act on notices of resignation submitted.
- 2.3 In 2010 SEEC received a number of resignations from member councils, which following a 12-month notice period, are due to take effect in August 2011. One further notice is due to take effect in summer 2012. In the past few weeks two councils have already confirmed that they will not resign and will remain in SEEC membership. Other councils have not yet indicated whether they intend to act on their resignations. However, even allowing for some resignations taking effect, SEEC will continue to represent at least 84% of South East councils in 2011-12.
- 2.4 SEEC subscription rates 2011-12 and 2012-13 (NB includes some councils who have given notice of resignation)

AUTHORITY	Multiplier	Base rate	Subs by council
Each District, City & Borough Council	1	1,705	1,705
County Councils			
Buckinghamshire	4	1,705	6,820
East Sussex	5	1,705	8,525
Hampshire	11	1,705	18,755
Kent	12	1,705	20,460
Oxfordshire	5	1,705	8,525
Surrey	11	1,705	18,755
West Sussex	7	1,705	11,935
Unitary Authorities			
Bracknell Forest	3	1,705	5,115
Brighton and Hove	5	1,705	8,525
Isle of Wight	3	1,705	5,115
Medway	5	1,705	8,525
Milton Keynes	5	1,705	8,525
Portsmouth	4	1,705	6,820
Reading	3	1,705	5,115
Slough	3	1,705	5,115
Southampton	5	1,705	8,525
West Berkshire	3	1,705	5,115
Windsor and Maidenhead	3	1,705	5,115
Wokingham	3	1,705	5,115