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Paper for the
16th NSC Annual Business Meeting,
22nd June 2007

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FINANCES

Membership update:

- Norfolk County Council has resigned as individual NSC member, but will continue to attend meetings as part of the EERA delegation.
- Akershus fylkeskommune, Niedersachsen and Bremen has not applied for CPMR membership and are deleted from the membership list.
- ESEC has sent a letter to CPMR resigning from the organisation and as a consequence also from NSC. They representing 14 Scottish regions.
- Land Schleswig-Holstein has applied for membership of the CPMR and to continue their membership of the NSC.
- All Danish Amt's doesn't exist any more and are as a consequence not members any more. Three of the five new Danish regions, Region Syddanmark, Region Midtjylland and Region Nordjylland, are members or have applied membership of NSC and CPMR

NSC Membership fee for the future

By 01.06.07, NSC has 32 member regions, representing 54 regions.

Due to the changes of members, there is a need to look at the membership fee. Today's setup of the budget is some confusing, some members pay 2, 3, 4 and 5 times normal fee, according to how many Region's / Council's they represent. There are regions with over 1.000.000 inhabitants who pay the same price as regions with 20.000 inhabitants.

Many organisations have today a membership fee based on number of inhabitants, with a minimum fee for those members with few inhabitants. A proposal was made by the Secretariat for the meeting of the Strategic Committee on 29 January. The proposal is based on how the Islands Commissions in CPMR have set up their budget, with graded membership fee based on number of inhabitants.

Changing to this system makes the organisation less vulnerable to the national reorganisations, as the one just done in Denmark. This reorganisation led NSC to loose 6 members and who paid 18132 Euro in membership fee. Had we kept the present system NSC would have got 6044 Euro fee from our two Danish members. Changing to the graded system



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NSC will get 10577 Euro for our two Danish member regions. We know there are discussions regarding reorganisation of regions in many countries that makes this change needed.

One possible solution to secure the NSC economy at an acceptable level is to rebuild the system of the budget, using a graded scale for members based on the number of inhabitants in the region. The Secretariat has proposed the following grading;

Graded membership fee, using the 2007 fee as basis.

Membership fee <500.000 inhabitants = 3022 Euro

Membership fee 500.000 - 1.000.000 inhabitants = 4533 Euro (+ 50%)

Membership fee >1.000.000 inhabitants= 6044 Euro (+ 100%)

The Strategic Committee discussed and endorsed the proposal from the Secretariat at their meeting on 29 January. The Executive Committee discussed the proposal for graded membership fee at their meeting on 13 April 2007.

Looking at the memberships of 2007 and into 2008 and make a realistic setup for the member situation, we have the following situation in total and the effect for each member;

Possible solutions 2008 (34 paying regions).

For the proposal for the 2008 fee the inflation rate April 06-07 is based on the EICP (European Index of Consumer Prices) 2,2%

Region	Inhabitants	Graded Fee 2008	Ungraded Fee 2008
Aberdeen City Council	212 125	3089	3089
Aberdeenshire Council	218 221	3089	3089
Aust-Agder Fylkeskommune	104 134	3089	3089
Buskerud Fylkeskommune	245 553	3089	3089
East Midlands Regional Assembly	4 222 901	6177	12354
East of England Regional Assembly	4 762 101	6177	9266
Fife Council	351 601	3089	3089
Highland Council	208 921	3089	3089
Hordaland Fylkeskommune	453 574	3089	3089
* Land Schleswig-Holstein	2 828 761	6177	3089
Møre & Romsdal Fylkeskommune	245 023	3089	3089
Noord-Holland	2 502 001	6177	3089
Nordland Fylkeskommune	236 057	3089	3089
Nord-Pas de Calais	4 022 601	6177	3089
Nord-Trøndelag Fylkeskommune	128 762	3089	3089
Orkney Islands Council	19 245	3089	3089
Region Halland	280 867	3089	3089
Region Midtjylland	1 230 736	6177	3089
Region Nordjylland	577 005	4633	3089
* Region Syddanmark	1 166 863	6177	3089
Region Västra Götaland	1 498 641	6177	3089
Rogaland Fylkeskommune	398 983	3089	3089
Samenwerkingsverband Noord-Nederland	1 678 001	6177	6177
Shetland Islands Council	21 988	3089	3089



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Sogn & Fjordane Fylkeskommune	106 494	3089	3089
Sør-Trøndelag Fylkeskommune	276 291	3089	3089
Telemark Fylkeskommune	166 104	3089	3089
The Humber Economic Partnership LTD	870 601	4633	6177
The South of Scotland	145 801	3089	3089
Troms Fylkeskommune	152 628	3089	3089
Vest-Agder Fylkeskommune	162 571	3089	3089
Vestfold Fylkeskommune	222 403	3089	3089
Zeeland	378 701	3089	3089
Østfold Fylkeskommune	260 641	3089	3089
Total fee 2008		135 906	126 644

NOTE:

* Region Syddanmark and Land Schleswig-Holstein is formally not members, but have applied for membership.

As the table shows, for the majority of the members there will be no change. There are a few regions that will benefit from this proposed change and a few will loose by this change.

If the Annual Business Meeting accepts the new setup of the NSC budget as proposed the NSC budget for 2008 will be 135.906 Euro.

If the graded fee is not accepted by the Annual Business Meeting the NSC budget for 2008 will be 126.644 Euro.



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Accounts for 2006

	Budget 2007	Submission pr.31.12.06
INCOME:	EURO	EURO
Membership subscription	154 674	154 000
INCOME:	154 674	163 531*¹
EXPENDITURE:		
General Assembly Expenses	25 000	20 800
Promotional Expenditure	8 000	7 500
Travel, Accommodation, etc.	27 000	19 660
Thematic Groups, meetings	21 500	5 630* ²
Co-ordinator Support	55 000	32 800
Telf.adm,internet, etc	17 500	1 660* ³
EXPENDITURE	154 000	82 420
DISPOSAL:		
Surplus 2006		81 111
Transferred to 2007		79 291

Note:

*1. Income 2006 is higher than the budget due to 3 regions paid their membership fee for 2005 in 2006.

*2 and *3. The expenditure for 2006 is in reality higher than 82 420 due to late invoices for the Maritime Policy seminar (6609 Euro)*² and Website (3048 Euro)*³. this was not paid before 31.12.06



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Proposal for a revision of the 2007 Budget,

At the Annual business meeting in Aviemore 16 June 2006 a budget with an income of 154.674 Euro was adopted. Due to the changes of membership, the income for NSC must be adjusted from 154.674 Euro down to 123.902 Euro and the budget must be adjusted according to this new reduced income for 2007. A new proposed budget for 2007 is shown below.

	Budget 2007 Adopted at Aviemore 16.06.06	Budget 2007 Proposed revised of 01.03.07
INCOME:		
Membership subscription	154 674	123 902
Disposal from 01.01.07	79 291	79 291
	233 665	203 193
EXPENDITURE:		
General Assembly Expenses	25 000	21 902
Promotional Expenditure	8 000	7 000
Travel, Accommodation, etc.	27 000	20 000
Thematic Groups, meetings	21 500	15 000
Co-ordinator Support	55 000	55 000
Telf.adm,internet, etc	17 500	5 000
EXPENDITURE	154 000	123 902



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Below is the financial situation of NSC of 31.05.07

	Budget 2007 Adopted 160606	Submission pr.31.05.05	Budget 2007 revised 010307
	EURO	EURO	EURO
INCOME:			
Membership subscription	154 674	99 726	123 902
Disposal from 01.01.07	79 291	79 291	79 291
INCOME:	233 665	179 017	203 193
			0
EXPENDITURE:			0
General Assembly Expenses	25 000	0	21 902
Promotional Expenditure	8 000	2 225	7 000
Travel, Accommodation, etc.	27 000	6 138	20 000
Thematic Groups, meetings	21 500	7 548	15 000
Co-ordinator Support	55 000	35 925	55 000
Telf.adm,internet, etc	17 500	0	5 000
EXPENDITURE	154 000	51 836	123 902

The budget is based on a transfer rate of 1 Euro = 8,00 NKr

By 01.06.07 CPMR has transferred to NSC 99.726 Euro for membership fee 2007 and 25 members has paid their membership fee.



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Proposed budget for 2008

	Budget 2007 revised		Budget 2008
	EURO		EURO
INCOME:			
Membership subscription	123 902		135 906
Disposal from 01.01.07	79 291		79 291
INCOME:	203 193		215 197
EXPENDITURE:			
General Assembly Expenses	21 902		25 906
Promotional Expenditure	7 000		7 000
Travel, Accommodation, etc.	20 000		24 000
Thematic Groups, meetings	15 000		15 000
Advisers Support	55 000		55 000
Telephone, administration, internet, etc	5 000		9 000
EXPENDITURE	123 902		135 906

As adopted at the Annual Business meeting in June 2005 the membership fee will automatic be adjusted according to the inflation rate. For the proposal for the 2008 fee the inflation rate April 06-07 is based on the EICP (European Index of Consumer Prices) is 2,2%, and the membership fee is adjusted according to this rate.

Explanation to some of the posts;

The General Assembly grows and the costs for hosting the conference as well, it is proposed to set of more money to support the hosting region of the General Assembly and to pay the expenses for the secretariat for preparation of the General Assembly.

Budget for Travel and Accommodation need to be strengthened due to an increased activity..

There is a need to upgrade the website in 2007 and 2008 and there is a need to set of some money for this.

RECOMMENDATIONS:

- 1. The NSC Annual Business Meeting of 22 June 2007 approves the accounts of 2006 as presented.**
- 2. The NSC Annual Business Meeting of 22 June 2007 approves the Auditors report of 23.05.07.**
- 3. The NSC Annual Business Meeting of 22 June 2007 adopts the setup of the NSC budget with a graded fee for 2008 as presented.**