

CNL(20)48

Recommendation from the Finance and Administration Committee to the Council on the Establishment of a Periodic [Large] Projects Special Fund

Background

Discussions were held by inter-sessional correspondence and in a meeting of NASCO's Heads of Delegations in advance of the 2020 Finance and Administration Committee in relation to the funding of the third performance review and any IYS legacy activities. The Committee asked the Secretary to work inter-sessionally with the Committee Chair, i.e. between the end of the Committee's meeting and the Council meetings, to develop a proposal for its consideration by correspondence that, once agreed, could be recommended to the Council for possible adoption.

Special Funds may be established in accordance with Financial Rule 6.1. They may simply be ring-fenced Funds within the NASCO accounting system – like the Working Capital Fund, or a separate bank account as well – like the IYS Fund. It is proposed that this new Special Fund be ring-fenced within the NASCO accounting system.

Proposal

The proposal is that a new Special Fund, called the '*Periodic [Large] Projects Special Fund*' is established.

Purpose

The Fund is intended to help avoid large swings in NASCO's budget from year-to-year where monies to support necessary and higher cost intermittent activities, such as future performance reviews, IYS legacy activities (e.g. the updates to the State of the Salmon report and follow up Symposia agreed by Council in 2019), and other costly special projects that may occasionally arise, would be allocated.

Ceiling

The initial ceiling for the new Fund should be £100,000, which could be revisited as needed once the draw on the Fund is established.

Funding sources

There are three possible sources of funding to establish the fund, all of which would need Council's agreement. The funds could be carried forward until the expenditure is needed:

- 1) transfer of the IYS Fund surplus (£60,800) in 2020;
- 2) transfer of budget surplus (any surplus funds available at the end of the 2020 financial year (and subsequent financial years)) that are not needed for the Working Capital Fund or Contractual Obligation Fund [or Recruitment Fund] could be credited to the Special Fund, up to the maximum of its ceiling; and
- 3) a small budget contribution of £15,000 in 2021 (with the understanding that additional budget contributions may be authorised by the Council in the future, as needed and appropriate).

Clarification

During the Finance and Administration Committee meeting, the representative of the United States requested that the Secretary provide details of the expenditure of the U.S. Voluntary

Contribution in 2018 and an understanding if the IYS Fund surplus could be ring-fenced inside a larger fund, before their agreement on the transfer of the IYS Fund surplus to the Periodic Projects Special Fund. The Secretary agreed to provide this in writing.

The Secretary provided this information to the representative of the United States on 28 May and 1 June 2020, respectively. Following this, the representative of the United States indicated that she was satisfied with the information provided and had no objection to the proposal to transfer the IYS Fund surplus of £60,800 to the Special Fund in 2020, noting that the final decision on this matter resided with the Council.

Secretary
Edinburgh
2 June 2020