



International Mobile Satellite Organization

ADVISORY COMMITTEE

Twenty-First Session
27 – 29 February 2008
Agenda item 6

IMSO/AC/21/6.3

Origin: Director

Date: 8 February 2008

IMSO LRIT BUDGET FOR 2008

Executive Summary:	this document provides the 2008 LRIT Budget which was agreed in principle at the Twentieth Session of the Committee, together with illustrative LRIT budgets for 2009 and 2010
Action to be taken:	1. to agree the 2008 budget for LRIT 2. to note the illustrative budgets for 2009 and 2010.
Related documents:	AC/21/6.1 LRIT Business/Project Plan

1 2008 LRIT BUDGET

1.1 At its Twentieth Session, (AC/20/Reprot, Section 7.4 refers), the Committee noted the draft budget for 2008 relating to LRIT which has been developed by the Director which built upon the 2007 LRIT budget agreed by the Committee (Column (3) of the Annex). The LRIT Budget for 2008 totals **£555,732**, a reduction of **£114,815** compared to the illustrative budget noted by the Committee at its Eighteenth Session.

1.2 The Committee noted that some of the assumptions have been refined, as follows:

(a) **Total salary costs**

Relate to the P4, P5 (non local) and G7 (local) posts as well as the split indicated in item (e) above from 1 July, 1 September and 1 December 2008, respectively. The salary costs for current staff are split from 1 July only. There are no salary costs relating to the

technical assignee as they are covered by the Government of Turkey.

(b) **Office Maintenance**

Provision has been made relative to new LRIT staff with effect from the above mentioned dates, and costs have been shared accordingly, again with effect from 1 July. There are no additional costs relating to the technical assignee.

(c) **Rental**

Provision has been made for rental (which now includes associated service charge and insurance) for 2008 for the Technical Assignee to be covered by LRIT and from 1 July, 1 September and 1 December 2008 for the new P4, P5 and G7 posts, respectively. Provision has also been made for a meeting room with effect from 1 September 2008; rental costs are shared on the agreed basis proportional basis between GMDSS/LRIT from 1 July.

(d) **Meetings**

A provision of £10,000 has been made to cover a two day LRIT Coordination meeting, assumed to be attended by 50 delegates, all of which is allocated to LRIT. Costs of Committee meetings after 1 July 2008 and of the Assembly in September/October 2008 are split 50/50 between GMDSS/LRIT.

(e) **Travel and Hospitality**

A provision of £30,000 for travel and £2,000 for hospitality has been made which will relate specifically to LRIT. Travel by the Director and Deputy Director after 1 July have been split proportionately.

(f) **One off costs**

The one off costs relating to home leave for the Director have been split 50/50, as they are assumed to accrue after 1 July. Recruitment costs for the P4 and P5 posts will be covered by LRIT.

1.3 The Committee noted the following statements by the Director in response to issues and concerns raised by members of the Committee: follows;

- (a) it was fundamental that there is no cross subsidization between GMDSS and LRIT; separate accounting systems had been established;
- (b) although there was no formal contingency plan, some contingency arrangements were in place, for example assistance from Inmarsat;
- (c) some voluntary contributions to the LRIT start up fund had been received both in monetary terms and through services undertaken for Governments which have indicated that they will host a DC; the Director intended to reiterate to those governments that IMSO's experience and staff were available to assist them in implementation; other fees may be received which can contribute to process – i.e. evaluation, testing, integration. The intention would be to charge for this on basis of effort – at a daily rate to be calculated.
- (d) other income was in hand such as the provision by Turkey of a Technical Assignee and the offer by Spain to host the Advisory Committee meeting in February; funds had been received from Canada, EMSA and Australia and an amount of £8,000 had been invoiced to Pole Star; the Director welcomed in particular the intended offer of the Government of Canada to provide a contribution in 2008; income would be shown in the budgets;
- (e) the Director was continuing to explore start up funding for LRIT and welcomed the advice of the Committee; he had continued to write to Member States and SOLAS Contracting Governments regarding the critical need for start up funding and discussed this regularly at the highest level at IMO; private equity funding would also be explored;
- (f) it was important to link the budget with the functions to be carried out, which were based on the decisions of IMO;
- (g) the Director was continuing to work on the business/project plan, including income estimates, a draft of which would be submitted to the next Session of the Advisory Committee; and

- (h) IMO has already arranged four regional LRIT seminars to be held in February 2008 in which the Directorate will participate, and it was anticipated that further seminars will be held.

1.4 The Committee:

- (a) agreed, in principle, the LRIT Budget for 2008 of **£555,732**, a reduction of **£114,815** compared to the illustrative budget noted by the Committee at its Eighteenth Session; and
- (b) noted the resulting total IMSO budget for 2008 of **£1,046,589** and that the GMDSS budget thereby reduces to **£490,857**.

1.5 The Committee noted that it will consider the 2008 LRIT budget further at its next session in the light of the business plan to be presented by the Director.

1.6 The LRIT Business/Project plan is contained in document AC/21/6.1. The principles embodied in that document do not lead to any changes in the 2008 LRIT budget.

2 ILLUSTRATIVE LRIT BUDGET FOR 2009 AND 2010

2.1 At its Twentieth Session, the Committee:

- (a) noted the illustrative draft LRIT Budget for 2009 and 2010 totalling **£701,845** and **£795,442**; and
- (b) noted the illustrative total IMSO budget for 2009 and 2010 totalling **£1,181,840** and **£1,346,268**.

2.2 The Committee noted that illustrative costs for the years 2009 and 2010 have previously been noted by the Committee, were based on the principles embodied in the 2008 LRIT Budget, and that the following additional assumptions have been applied:

- (a) staffing: full year costs for the P4, P5 and G7 posts (assuming that the technical assignee will be for a one year period only)

- (b) office maintenance - all items shared on a proportional basis between GMDSS/LRIT;
- (c) rental has been increased for the three new posts, then shared on a proportional basis between GMDSS/LRIT;
- (d) a 5 percent global increase annually.
- (e) 10 days of Advisory Committee meetings, split equally between GMDSS and LRIT, attended by 40 delegates
- (f) a two day annual meeting of LRIT Coordinators, attended by 50 delegates, all costed to LRIT ;
- (g) a regular Assembly session in 2010, split equally between existing and LRIT;
- (h) home leave for the Director in 2010, for the P4 and P5 posts in 2010.

3 ACTION REQUIRED

The Committee is invited:

- (a) to agree the draft LRIT Budget for 2008 of **£555,732**; and
- (b) to note the illustrative LRIT Budgets for 2009 and 2010 totalling **£701,845** and **£795,442**, respectively.

As indicated above, the resulting total IMSO budget and GMDSS budgets for 2008, 2009 and 2010 were noted at the Twentieth Session (AC/20/Report, Sections 7.4 to 7.6 and Annex VII refer).

IMSO	(1)	(2)	(3)
	2008 LRIT budget agreed in principle	Draft 2009 LRIT Budget	Draft 2010 LRIT Budget
Budget 2008 LRIT			
Income - LRIT			
Gross salary	105,651	172,291	180,906
Post adjustments	76,157	114,727	120,464
Total salary & emoluments	181,808	287,018	301,369
Parity adjustment	10,207	10,717	11,253
Non residents allowance	0	0	0
Rental allowance	23,339	41,202	43,262
Dependant allowance	1,875	2,756	2,894
Education allowance	23,928	41,924	44,021
Total allowances	59,350	96,600	101,430
Pension	37,704	55,260	58,023
Medical	12,825	20,558	21,586
Life assurance	3,719	6,866	7,210
Disability	5,566	11,297	11,861
Accident	453	830	872
National insurance	7,823	12,063	12,666
Language training	5,748	13,167	10,369
Total employer costs	73,836	120,041	122,586
Travel	41,129	54,871	57,615
Hospitality	2,875	3,938	4,134
Parking	500	1,050	1,103
Congestion charge	750	1,575	1,654
Total travel and hospitality costs	45,254	61,434	64,506
Office rent	20,106	31,939	33,681
Office service charge	14,883	24,580	26,109
Office insurance	425	893	938
Total office premises costs	35,414	57,312	60,728
Accounting support	3,407	7,154	7,512
Payroll support	448	940	987
Audit fees	1,045	2,195	2,304
Pension provider fees	4,000	6,300	6,615
Printing and copying	3,306	4,725	4,961
Stationary	3,306	4,725	4,961
Postage	4,698	6,563	6,891
Telephone & fax	750	1,050	1,103
Mobile phone	1,625	2,363	2,481
IT service charge	7,500	10,500	11,025
Web site & logo	988	1,985	2,084
Bank Charges	183	368	386
Total administrative costs	31,255	48,866	51,309
Assembly	29,000	0	35,000
Advisory committee	5,000	10,500	11,025
LRIT Coordination meetings	10,000	10,500	11,025
Translations	2,500	2,625	2,756
Interpretation	8,000	0	9,000
Total meeting costs	54,500	23,625	68,806
TOTAL OPERATIONAL EXPENDITURE	481,418	694,896	770,735
Removal	0	0	0
Assignment grant	0	0	0
Relocation	0	0	0
Home leave	2,500	0	17,000
Repatriation	0	0	0
Recruitment costs	40,000	0	0
Adjustment 2007 salaries	27,000	0	0
Total one off costs	69,500	0	17,000
TOTAL COSTS	550,918	694,896	787,735
Contingency 1% of Total Op. Exp	4,814	6,949	7707
Surplus			
TOTAL BUDGET	555,732	701,845	795,442