



Agenda item B1

From: Su Martin, **Financial Advisor, KEIFCA**

To: Kent and Essex Inshore Fisheries and Conservation Authority
12 September 2023.

Subject: Revenue Budget Monitoring Report 2023-24

Classification: **Unrestricted**

Summary: This report gives the estimated financial outturn position for the Authority based on data at the end of July 2023. Appendix 1 includes the actual expenditure to 31 July 2023 and the revenue outturn forecast for the year with the variance to the budget.

Recommendation(s):

1. The Authority is asked to review and approve the forecast underspend for the year of £56,371. This underspend is indicative at the present time and is likely to change throughout the year.

1. Introduction

This report shows the likely outturn based upon data at the end of July 2023. For the most part, the expenditure is within the current planned budget, although there are some variations which has led to a forecast underspend. More detail is given in the section below and in appendix 1.

Forecast Revenue Outturn 2023-24

- 1.1 The forecast Revenue Outturn for the year is an underspend of £56,371.

The biggest contributing factors are:

- Delayed recruitment for the Essex IFCO, leading to a forecast £26k underspend
- Reducing costs for fuel since budget setting, current forecasting £7.7k underspend

- Increase in income from cockle licences and additional income from permits stands at £33.7k more than budgeted.

It should be noted that the forecast would likely be at break-even or very slightly over budget if it were not for the changes outlined here.

1.2 The main variances of spend against budget are shown in the table below and can be seen in detail in Appendix 1 (a negative figure indicates underspend or income received).

| Budget Heading | Reason(s) for Variation | Amount (variation from budget) £ | Amount (generated revenue & proceeds) £ |
|-------------------------------|---|---|--|
| Salaries | Essex IFCO is currently being held as a vacancy | -25,926 | |
| Fuel and Oil | Budget was set at a time when the fuel price was high and volatile. The prices and decreased and are now being monitored and updated regularly | -7,661 | |
| Vessel Insurance | Premiums for both Nerissa and Vigilant are lower than budgeted | -1,124 | |
| Supplies and Services | The provider for mobile phones has changed from BT to EE, the increased charges are due to out of contract costs during the handover period. Additional costs incurred for above contract photocopying for the cockle review | 1,409 | |
| Scientific Officer | The scientific officer is now in post and is being charged to the Research Fund. Costs are mostly covered from the grant from DEFRA at present -17.9k, the variation is the amount charged to the budget | 9,254 | |
| Quad Bikes | replacement of corroded equipment for the quad bikes | 1,436 | |
| Cockle Licence Fees & permits | 43,884 income for cockle permits, 19,716 was refunded so total income to date -24,168 cockle licence fees income to date: 98,778 | | -33,730 |
| DP World Survey | negotiated an increase in fees | | -2,334 |
| Cockle Review | Unbudgeted costs for the last cockle review meeting | 1,191 | |
| Minor variances | Minor variances across the whole budget | 1,114 | |
| Subtotal | | -20,307 | -36,064 |
| Total Variance | | -56,371 | |

2. Assets & Reserves:

2.1 Vehicles: Two replacement Toyota Hi-Lux have been ordered one each for delivery in 2023-24 and 2024-25 at a cost of £33,168+vat per vehicle to replace the existing vehicles that have exceeded their asset life. Two quad bikes are expected to be replaced later in the financial year.

2.2 The balances in Reserves are shown in the table below, as at August 2023. The balance of funds remaining from the NLTO post is £38.1k. The Association of IFCAs has asked that it remains held by the IFCA for the present time.

| Reserves | |
|--|-----------|
| Balance held from NLTO post | - 38,132 |
| Revenue reserve | - 838,702 |
| Useable capital receipts | - 57,847 |
| Renewals Reserve | - 698,528 |
| Financial Administrative Penalty Reserve | - 18,996 |

3. Recommendation:

3.1 The Authority is asked to review and approve the forecast underspend for the year of £56,371. This underspend is indicative at the present time and is likely to change throughout the year.

4. Contact Details:

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