



Agenda item B1

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

To: Kent and Essex Inshore Fisheries and Conservation Authority
21 November 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 October 2023. Appendix 1 includes the actual expenditure to 31 October 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 £43,706. 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 October 2023. For the most part, the expenditure is within the current planned budget, although there are some variations including income, areas of underspend and also areas of overspend with a net overall underspend position, although this has moved by £12.7k since the last report. More detail is given in the section below and in appendix 1.

Forecast Revenue Outturn 2023-24

1.1 The current forecast Revenue Outturn for the year is an underspend of £43,706. This is a change of £12.7k from the position reported in September 2023 based on the July 2023 forecast.

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	-28,567	
Research	The scientific officer is now in post and is being charged to the Research Fund. Costs associated with FMPs are also included. These costs are covered from the grant from DEFRA at present £27.4k. Equipment and additional costs associated with whelk mortality investigation and ZSL survey are included.	2,709	
Vessels	Fuel budget was set at a time when the fuel price was high and volatile. Actual costs are now much lower, decreasing the forecast Insurance premiums for both Nerissa and Vigilant are lower than budgeted Increase in the maintenance budget due to transport costs for Vigilant to be taken to Yeovil for servicing	-16,954	
Hire of Vessels	Hire of Tamesis and Nerissa to ZSL and Thanet DC plus charges to National Resources Wales for training		-10,918
Vehicles	Replacement of 1 x Hilux (purchase and part exchange) and lower insurance costs	19,800	
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 Increase in IT related expenditure including internet speed upgrades and licences plus a replacement laptop for the Scientific Officer	6,119	
Quad Bikes	Replacement of quad bike costs came in 2k less than previously forecast	-1,921	
Cockle Licence Fees & permits	£48,689 income for cockle permits, £19,716 was refunded so total income to date - £28,973 cockle licence fees income to date: £98,778		-28,787
DP World Survey	negotiated an increase in fees		-2,334
Other Costs	Forecasting for advertising for the T24 Fishery Regulating Order as this is potentially not funded by DEFRA	12,000	
Cockle Review	Unbudgeted costs for the last cockle review meeting including room hire, equipment, refreshments and travel costs	4,969	
Minor variances	Minor variances across the whole budget	177	
Subtotal		-1,667	-42,039
Total Variance		-43,706	

The main areas for the forecast underspend are due to income exceeding the budget by £42k. The largest areas of underspend in this financial year are due to the Essex IFCO vacancy and the decreasing cost of fuel. This is offset by a number of areas of overspend indicated above including costs associated with the investigation into the whelk mortality event, replacement of the first Hilux, the potential costs for advertising the T24 Fishery Regulating Order and the last costs relating to the Cockle Review. A further detailed breakdown of the forecast can be viewed in Appendix 1 to this agenda item.

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. Part Exchange value for the old vehicles is expected to be around £9,000 to 10,000 per vehicle. The quad bikes are due to be replaced at a cost of £16,900 + VAT with a part exchange value for the old bikes of £12,700.

2.2 The balances in Reserves are shown in the table below, as at October 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 £43,706. This underspend is indicative at the present time and is likely to change throughout the year.

4. Contact Details:

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