



Agenda item B1

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

To: Kent and Essex Inshore Fisheries and Conservation Authority  
30 January 2024.

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 December 2023. Appendix 1 includes the actual expenditure to 31 December 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 £31,460. 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 December 2023.

For the most part, the expenditure is within the current planned budget, although there are some variations including income, areas of underspend and overspend. 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 £31,460. This a change of £12.2k from the position reported in November 2023 based on the October 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).

<b>Budget Heading</b>		<b>Reason for Variances</b>	<b>Amount (variation from budget) £</b>	<b>Amount (generated revenue &amp; proceeds) £</b>
Staffing	Officers, and Crew Salaries	<i>Underspend is due to the vacancy for the Essex IFCO</i>	-35,980.00	0.00
	Recruitment Advertising and Expenses	<i>Recruitment and advertising costs for various posts over the year</i>	3,630.00	0.00
	Protective Clothing	<i>Purchase of drysuits is being brought forward to 2023-24 from next year, due to finding a good deal that will make savings.</i>	3,470.00	0.00
	Travel and Subsistence	<i>Travel and subsistence is expected to exceed the budget due to inflationary price increases.</i>	1,080.00	0.00
Premises	Repairs, Alterations and Maintenance	<i>50% contribution to the new flooring at the Brightlingsea office</i>	1,080.00	0.00
Vessels	Equipment, Repairs and Maintenance	<i>Major Repairs for Nerissa</i>	14,900.00	0.00
	Fuel & Oil	<i>Decreasing fuel costs over the year and savings through Vigilant and Nerissa needing less fuel while undergoing repairs</i>	-22,360.00	0.00
	Insurance	<i>insurance premium for Nerissa and Vigilant lower than budgeted</i>	-1,120.00	0.00
	Harbour Dues	<i>Fee increase in harbour dues for Tamesis, Nerissa and Vigilant</i>	860.00	0.00
Vehicles	Repairs and Maintenance	<i>Purchase and part exchange costs for the new Hilux</i>	21,830.00	0.00
Supplies & Services	Equipment	<i>IT related expenditure</i>	2,430.00	0.00
	Telephones (including Mobiles)	<i>Increased costs due to change in contract and provider</i>	490.00	0.00
	Printing and Photocopying	<i>Surcharges added to Photocopying contract costs</i>	800.00	0.00
Income	Hire of Vessels	<i>Includes 3.3k from Thanet District Council hire of Nerissa for sampling, 7.2k from ZSL for 4 days of survey work and 0.4k for training IFCO from other IFCA's</i>	0.00	-10,900.00
Other Costs	Advertising-By-laws and Audit	<i>DEFRA have advised they are uncertain whether they will be able to fund the advertising of T24 Fishery Regulating Order</i>	10,000.00	0.00

Survey and Project Costs	Research Fund	<i>Equipment / costs associated with whelk mortality investigations and ZSL surveys are included. Scientific Officer and FMP costs are offset by DEFRA funding</i>	3,110.00	0.00
	Training Programme	<i>STCW ticket training and advanced powerboat training for new First Mate</i>	1,760.00	0.00
	Cockle Surveys	<i>Quad bikes replacement costs are less than previously forecast</i>	-1,890.00	0.00
	Licenses and Fees	<i>Income from the cockle licences is greater than budgeted</i>	0.00	-28,780.00
	Surveys	<i>increase in charges for DP Cockle world surveys</i>	0.00	-2,330.00
Cockle Review	Cockle Review	<i>costs incurred due to the last cockle review meeting</i>	4,970.00	0.00
Minor Variances		<i>Minor Variances across all budget codes</i>	1,490.00	0.00
<b>Totals</b>			<b>10,550.00</b>	<b>42,010.00</b>
<b>Total Variance</b>				<b>-31,460.00</b>

The main areas for the forecast underspend are due to income exceeding the budget by £42k as previously reported. 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.

Nerissa is currently undergoing unforeseen repairs to her engines and at the time of writing, we are forecasting the costs for this to be around 45k, which exceeds the budget for Nerissa's repairs by around 40k and these may yet increase further.

It is planned at the current time that 25.2k will be drawn down from Reserves to help cover this, while also utilising the underspend from the fuel budget.

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 December 2023. The balance of funds remaining from the NLTO post is £38.1k. The Association of IFCA's has asked that it remains held by the IFCA for the present time.

<b>Reserves</b>	
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 £31,460. This underspend is indicative at the present time and is likely to change throughout the year.

### **4. Contact Details:**

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