

Agenda item B1

From: Su Martin, **Financial Advisor, KEIFCA**
To: Kent and Essex Inshore Fisheries and Conservation Authority
27 January 2026
Subject: Revenue Budget Monitoring Report 2025-26

Classification: **Unrestricted**

Summary: This report gives the estimated financial outturn position for the Authority based on data at the end of December 2025. Appendix 1 includes the actual expenditure to 31 December 2025 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 overspend for the year of £16,560. This overspend 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 2025. There have been some pressures to the budget since reporting in November and these are outlined in the table in 1.4 and in Appendix 1.

- 1.1 The forecast Revenue Outturn for the year is an overspend of £16,560. The variances are summarised below and in detail in Appendix 1. In the last report to the Authority in November 2025, an overspend position of £36,890 was forecast meaning that the forecast has been reduced by £20,330. KEIFCA staff have worked to review the forecasts in each area and have been able to remove some forecast expenditure that is no longer required and ensure that recording of FMP grant funded costs are up to date. The movement in the variances (changes in the forecast overspend since the last report) is shown in the table below.

**Budget Heading Movement
in Variance**

<i>Staffing</i>	2,092.00	Staffing and recruitment costs include uniforms and some health & safety expenditure as well as payroll, pensions, travel expenses and medical. There are some increases to the budget, but there will be FMP offsets of £1.7k
<i>Premises</i>	(3,100.00)	reduced forecast on the Brightlingsea electricity costs on review of actual charges
<i>Vessels</i>	(4,475.00)	reduced forecast for fuel and major repairs as major repairs over budget will be covered by Renewals reserve while forecast reductions for Nemo, Tamesis and Nerissa in fuel costs due to being out of water
<i>Research</i>	4,603.00	This is one of the few budget lines with an increase, but is mostly offset by FMP grant funding
<i>Administration</i>	(4,173.00)	Removal of T24 meetings no longer required from the budget
<i>Communications</i>	(1,435.00)	FMP grant funded
<i>Income</i>	(763.00)	Increase in cockle licence and permit income
<i>Minor Variances</i>	(977.00)	
<i>FMP Grant</i>	(12,102.00)	This is the FMP grant funding
<i>Total Movement</i>	(20,330.00)	

1.2 Legal fees relating to the T24 Regulatory Order spend to date are around £45k and are not expected to increase. An amount of £156k was ring-fenced in the general reserve in 2024/25 to mitigate against any legal challenge to the Order.

1.3 Expenditure that is funded by the FMP grant is forecast at £118.5k. The staffing elements are included as part of the budget which is why the variance is less than total FMP Forecast (see the variance table)

FMP Grant Funded Expenditure

All Staffing & Recruitment Costs	43,584.78
Mobile phone	257.66
Research Cockles	8,000.00
Research Whelks	1,785.71
Research Manila Clams	5895.22
Research Other Costs	45,460.00
Communications - Fish Local	13,500.00
Total Forecast	118,483.37

1.4 Reasons for variance

Budget Heading	Reason(s) for Variation	Amount (variation from budget)	Amount (generated revenue & proceeds)
		£	£
Staffing	Increase in NI contributions and NJC pay award finalised after budget setting. 1.3k of recruitment advertising costs and 0.4k of uniform costs for the science officer will be refunded from the FMP grant	12,603	
Premises	Rental increases for Brightlingsea office of 3.3k, with minor reductions across the service, variance is 3.2k IT costs relating to the new server, software and equipment added variance of 4.4k after costs that can be capitalised are forecast and along other minor variances have reduced the level of overspend by over 2k since last Committee meeting	9,816	
Vessels	Saving in Insurance Premiums being lower than budgeted as well as a later start date on insurance for Nemo Major repairs on an oil leak for Tamesis. Other works for the workboat code 3 upgrades will be funded from the Renewals reserve for both Tamesis and Nerissa. Vigilant is not expected to need any repairs from this budget which is now forecasting underspend of 2.4k Harbour Fees – reduction of expenditure as Nemo is delayed	(9,869)	
Research	Cockles: Vessel Monitoring System costs are greater than originally budgeted. The overspend of 16.5k is offset by 8k from the FMP grant Whelks: ICES Whelk Conference 2k (this will be offset from the FMP grant) 3k Manila clams costs will be reclaimed from the FMP grant PHD costs of 40k will be offset by the FMP grant. In addition 6.2k for workshops for FMP / MPA will also be funded from the FMP grant	67,842	
Administration	Savings in external audit costs 2k and 3.7k saving on budget allowed for T24 regulatory order meetings with residential that were not required, 0.5k saving on members expenses and catering Increase in Subscription fees – AIFCA and SeaFlux SMS workboat code 3 and the Axon radio System 15.5k Advertising costs for Variation Order 0.8k	10,200	
Communications	Contribution to Fish Local which will be offset by the FMP Grant	12,094	
Income	Cockles – higher than forecast income from Permits and Licences		(11,431)
Minor Variances	Minor variances	-256	
FMP Grant	Forecast offsets from the FMP Grant	(74,439)	
Subtotal		27,991	(11,431)
Total Variance			16,560

2. Financial System changes

KCC replaced its finance systems in mid-August 2025. As is often the case with a full system upgrade, there have been some issues that were not anticipated or identified during testing and some of these have impacted our ability to use the system. Despite the issues, it has been possible to monitor and track revenue expenditure in the interim to be able to produce this report. While we had hoped that the system would be fully functional by this time, there are still issues that prevent the system being fully utilised. We continue to chase to get this resolved before the accounts are due to close.

3. Recommendation:

The Authority is asked to review and approve the forecast overspend for the year of £16,560. This overspend is indicative at the present time and is likely to change throughout the year.

4. Contact Details:

Report Author: Su Martin
Name and job title KEIFCA Financial Advisor
Telephone number 03000 412165
Email address: su.martin@kent.gov.uk