

From: Chelsea Green, **Financial Advisor, KEIFCA**

To: Kent and Essex Inshore Fisheries and Conservation Authority – 26 November 2021.

Subject: Revenue Budget Monitoring Report 2021-22.

Classification: **Unrestricted**

Summary: This report gives the estimated financial outturn position for the Authority based on data at the end of October 2021. Appendix 1 includes the actuals to 31 October 2021 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 £26,578. 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 2021. Currently, most of the budgeted income and expenditure is being spent as planned with a few exceptions. With the lockdown in UK not being lifted until July 2021, there has been a slight impact of COVID-19 and there is uncertainty as we head into the winter months. It is anticipated that the majority of duties and activities can be performed as normal. Members will recall that they approved the use of £100,000 from Reserves for replacement engines to extend the life of Tamesis. This is scheduled to take place very shortly.

2. Revenue Outturn 2021-22

2.1 The forecast Revenue Outturn for the year is an underspend of £26,578. The underspend is predominantly due to a decrease in travel and subsistence, both from employees and members and a reduction in salaries due to a member of staffs' departure this month. A receipt of £3,000 is anticipated for the hire of

Tamesis for two days together with payment of £8,065 from Natural England as a contribution to the survey work being undertaken. There is some unbudgeted expenditure on recruitment and advertising and works which were required to upgrade the KEIFCA website. Repairs have also been required to Vigilant and Nerissa.

2.2 The main variances of spend against budget are detailed in the table below and can be seen in detail in Appendix 1.

Budget Heading	Reason(s) for Variation	Amount (variation from budget) £	Amount (generated revenue & proceeds) £
Salaries	Staff member left in October. Anticipated gap between departure & recruitment for the remainder of the financial year.	-14,489	
Protective Clothing	A large volume of PPE was purchased in previous financial year due to COVID-19.	-897	
Travel & Subsistence	Reduction in anticipated travel using own vehicles/public transport	-5,150	
Uniforms	Reduced need to replace uniform.	-600	
Recruitment & Advertising expenses	No budget was set for this for the financial year as no recruitment was expected.	+750	
Energy Costs	Reduced use of Brightlingsea office year to date.	-732	
Rental and Service Charges	Budget figure was inaccurately based on 10 months lease rather than 12 months.	+2,656	
Harbour Dues	Additional mooring fees in Brightlingsea harbour for Tamesis tender	+807	
Other Vessel Costs	Reduction in dongle costs.	-385	
Insurance (Vehicles)	Increase in insurance due to purchase of 2 new vans last year was not as much as anticipated.	-1,500	
Members' Travel and Subsistence	Lower anticipated travel costs based on spend to date so far.	-800	
Vessels – Repairs, Equipment and Maintenance	Replacement required of chamber tubes for RIB Nereus and repairs to Vigilant rubbing strake	+5,490	
Income - Hire of Vessels	Hire of Tamesis for two days by Cefas		-3,000
Communication & Engagement	The Government Digital Service which monitors .gov.uk domain names required us to carry out work to upgrade our website so that is complied with their website	+2,287	

	standards.		
Training Programme	Majority of the training is expected to go ahead as usual with little exceptions.	-600	
Cockle Surveys	Due to outside area not being open, accommodation/subsistence will not be required for surveys.	-1,846	
Licenses and Fees	Natural England contribution to Goodwin Sands MCZ survey	-8,065	
Other	Other Minor Variances	-503	
Sub-Total		-23,578	-3,000
Total		-£26,578	

2.3 The Authority have begun the budget setting process for 2022-23 and are considering the challenges that face them in the coming year. The most important being inflation which is close to its highest level in a decade and the effect this has on running costs. It is important not to compromise the efficient day-to-day running of the Authority over the coming years.

KEIFCA has always striven to maintain best value for money in all its operations and continues to be mindful of the spending of public funds. This combined with the period of austerity introduced by the Government in 2013, has led to only two levy increases since 2011, the first in 2015 and second in 2020.

The anticipated increase in the levy for 2021-2022, which was put forward to Members at the January 2020 meeting, was later put on hold as the Authority felt it would be inappropriate to ask for the increases in contributions due to the COVID-19 impact and the financial pressures faced by many. Members will recall that no cost of living pay increase has been allowed for in the current budget along with no contribution to the renewals reserve for the first time since being established in 2011.

As the Authority now begin to plan for the next financial year, it is apparent that an increase in contributions will be required for 2022-23. This is not a decision that has been made lightly and full details will be presented to Members during the January 2022 meeting.

3. Recommendation:

3.1 The Authority is asked to review and approve the forecast underspend for the year of £26,578. This underspend is indicative at the present time and is likely to change throughout the year.

4. Contact Details

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