

By: Financial Advisor to The Authority

To: Kent and Essex Inshore Fisheries and Conservation Authority – 20th
May 2014

Subject: **REVENUE BUDGET MONITORING 2013-14, CAPITAL
EXPENDITURE 2013-14, BALANCE SHEET as at 31st MARCH
2014 and STATEMENT of RESERVES**

Classification: Unrestricted

File Ref: BG/IFCA/Finoutreport

Summary: Revenue and Capital Outturn as at 31st March 2014, Balance Sheet
and position on Reserves

1. This report shows the final revenue accounts for the authority, capital expenditure, the balance sheet as at 31st March 2014 and a statement of reserves and balances.

Appendix 1 shows the detailed expenditure for the year to date, the budget for the year, outturn, variance and an explanation of the variance.

Appendix 2 shows the capital spend for the year and the financing of that expenditure.

Appendix 3 details the balance sheet as at 31st March 2 with a brief report outlining the movements and position of the IFCA.

Appendix 4 shows the balances on the reserves, assuming recommendations are accepted and the utilisation of those balances over the next two years.

2. The overall outturn for the year shows a surplus of £111,446 which is an increased underspend of £59,607 from the £51,839 reported last quarter.

The increased underspend from January has arisen from a further reduction in the forecast for fuel and oil, (£8,000), support costs to the authority, (£18,000), income from DP World and the Hythe Bay Survey, (£22,800) and other headings amounting to £10,800.

The additional underspend on fuel oil is as a result of other authorities not requiring the vessel as often as envisaged, targeted patrol operations with an increased use of Tamesis in the north of the district, fuel economies and fewer miles than the maximum allocated for both vessels.

Support costs to the authority were additionally underspent as the use of legal, personnel and PR units at KCC was substantially less than anticipated throughout the year and the writing back of creditor provisions raised in 2011-12 and not used.

3. The major components of underspend in the year are shown in the table below with additional detail at appendix 1

Budget Heading	Reason for Variation	Amount £
Officers and Crew	Net savings from vacancies and cost of new structure.	-24,982
Recruitment Advertising and Expenses	Advertising costs for Lead Scientific and Conservation Officer, Ken Green Skipper and First Mate.	4,306
Fuel & Oil for Vessels	Reduced outturn for fuel for both boats.	-25,941
Vessel Repairs & Maintenance	Reduction in maintenance for Ken Green and increase for Tamesis winch replacement delayed from 2012-13.	4,322
Tamesis – Other Vessel Costs	Increase in outturn for additional dongle and omega gauge calibration.	2,760
Computer Equipment	Increase in outturn due to Microsoft Office software licence costs and a new computer for the Ramsgate office.	1,925
New Vessel Costs	Spend on Procurement process	4,531
Premises - Energy Costs	Reduction in outturn as energy usage less than anticipated.	-2,350
Support Charges	Reduction in outturn for all Support Charges and creditors raised in 2011-12 not now required.	-38,557
Income	Net decrease in income for the year.	3,000
Subscriptions	Reduction in subscriptions	-1,366
Advertising – By-laws	Reduction in outturn as advertising less than anticipated.	-2,501
Communication & Engagement	Costs originally budgeted from Communications for video camera and press association training have been allocated to training budget.	-3,234

Research Fund	Budget transferred to Cockle Surveys for cockle mortality report. Research Funds not required in 2013-14 as the work involved in the Thanet SAC implementation has taken precedence over the work streams originally allocated to new research.	-49,118
Training Programme	Outturn reduced as training costs less than anticipated.	-7,681
GIS Reporting Systems	No GIS training required in 2013-14. There will be GIS training needed in 2014-15.	-5,946
Members' Travel & Subsistence	Reduction in outturn for Members' Travel & Subsistence.	-3,166
Whelks	Income not as high as budgeted.	1,379
Cockle Surveys	Cockle Mortality Survey moved from Research Fund.	5,266
Transfer from Reserves	Transfer from reserves no longer needed.	40,900
Other adjustments	See Appendix 1	-14,993
Total		-£111,446

4. Subject to member agreement the surplus of £111,446 should be added to the General Reserve. This will enable flexibility in its use across the authority.
5. The capital expenditure for the year is shown at appendix 2. The first stage payment for the new vessel was made and the quad bikes replaced.

Financing of capital expenditure was from the sale proceeds of quad bikes, £7,900, and drawdown of the renewals reserve, £115,809.

6. Appendix 3 shows the balance sheet for the Authority as at 31st March 2014.

There has been an increase in cash due to the surplus generated for the year. The General Reserve has increased by the surplus of £111,446 in anticipation of the Committee's approval of this report.

There has been an increase in creditors. This is mainly due to the increase in the cash owed to Kent County Council which now stands at £274,372.94. This is due to the payments made by KCC on KEIFCA's behalf amounting to more than the levy paid in to KCC by the contributing authorities. Essex County Council has paid the levy by cheque to the IFCA for the past two years and this has been paid into the Lloyds bank account rather than KCC. If Essex CC pays the levy directly to KCC in future this situation will be avoided.

The balance sheet of the authority continues to be in a healthy position.

7. Appendix 4 details the individual balances at the year end and the utilisation over the next two years.

The replacement of the Ken Green has been anticipated by drawing down on the renewals reserve in 2014/15 by £900,000 and £100,000 in 2015/16.

The expenditure on the specific reserves of Research, Training and GIS has been set at a figure below the expenditure on them as the medium term plan has been set to partially fund the above from revenue in order to extend the life of the specific reserves.

8. The committee is asked to agree:-

- d) the sum of £111,446 to be transferred to general reserves and
- e) to note the outturn position.

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