

Success Criteria 1

By: Financial Advisor to The Authority

To: Kent and Essex Inshore Fisheries and Conservation Authority
– 19th May 2015

Subject: **REVENUE BUDGET MONITORING 2014-15, CAPITAL EXPENDITURE 2014-15, BALANCE SHEET as at 31st MARCH 2015 and STATEMENT of RESERVES**

Classification: Unrestricted

File Ref: BG/IFCA/Finoutreport

Summary: Revenue and Capital Outturn as at 31st March 2015, 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 2015 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 2015 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 year.

2. The overall outturn for the year shows a surplus of £25,892 which is a decreased underspend of £3843 from the £29,735 reported last quarter.

3. There has been a reduction in the forecast surplus due to unexpected expenditure for repairs to Tamesis and the need for electrical work to be undertaken at both offices following Electrical Inspections.

The Ramsgate Office has been redecorated after a new lease was negotiated and an Electrical Inspection. This has resulted in unbudgeted expenditure of £7,802 for the redecoration and electrical work and £1088 for rent.

A new server and associated software and storage has been installed, together with video conferencing equipment. This will now be funded from the revenue budget to preserve the renewals reserve as it will be depleted following the purchase of the new vessel. This investment will bring savings in travel in the future.

An additional container has been purchased for storage of seized fishing gear at the Brightlingsea Office and this has caused a forecast overspend for Whelks of £2,730.

Nine dry suits and helmets will be purchased for use on the rib at an additional cost of £8,385 to the Protective Clothing budget.

There have been unexpected repairs to Tamesis and there is an overspend of £15,063. This has been offset by a reduction in fuel of £24,892 for both boats.

The IFCA has purchased a new vehicle and for a period of time had three vehicles, although one is due to be sent for sale. This is anticipated to cause an overspend of £2,692 on insurance and fuel.

A Health & Safety review was carried out by an external consultant and the outcome has generated an overspend of £2,987 in training. There has been no further external consultancy required for the year giving a saving of £18,797 on Other Support Services.

Income from DP World for cockle surveys of £22,400 was received for the year. This was not included in the original budget as it was not known that DP World would require these surveys in 2014-15. An additional £10,895 has been received from Natural England for a whelk survey.

At Appendix 1 is shown the expenditure for the year, the budget for the year, final outturn, variance and an explanation of the variance. The major variances are identified in the table below.

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 £
Ramsgate & Brightlingsea – Repairs, Alterations and Maintenance	Redecoration of office and repairs required after Electrical Inspection	7,802
Recruitment Advertising and Expenses	Expenses incurred in 2013-14 not received until 2014-15 and advert for new Officer.	2,931
Ramsgate – Rental and Service Charges	Increase in rent.	1,088
Equipment	New Server and software	15,063
Protective Clothing	Nine dry suits and helmets	8,385
Repairs – Tamesis	Unexpected repairs	15,608
Fuel & Oil	Saving due to reduction in time at sea	-24,892
Whelks	Additional container for storage.	2,730
Hire of Vessels	Tamesis completed a survey for Natural England	-10,895
Vehicles	Increased costs of running 3 vehicles	2,692
Other Support Costs	No further spend on this	-18,797
Advertising – By laws	Additional advertising for by laws	2,222
Surveys	DP World Cockle Survey income	-22,400
Cockle Surveys	Increase to subsistence and printing	10,602
Communication and Engagement	Reduction in forecast spend	-7,350
GIS Reporting Systems	Reduction in forecast spend plus grant received for PC	-6493
Other minor adjustments	See Appendix 1	-4188
Total		-25,892

4. Subject to member agreement the surplus of £25,892 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. There have been further stage payments for the new vessel of £704,293 and a Toyota Hilux vehicle was purchased for £18011.

Financing of capital expenditure was from the drawdown of the renewals reserve of £722,304.

6. Appendix 3 shows the balance sheet for the Authority as at 31st March 2015.

There has been a decrease in cash due to payments for the new vessel. The General Reserve has increased by the surplus of £25,892 in anticipation of the Committee's approval of this report.

There has been a decrease in creditors. This is mainly due to the decrease in the cash owed to Kent County Council which now stands at £177,816. 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 in the past. This year the deficit has improved. This is partly due to Essex CC paying the levy to KCC rather than KEIFCA's Lloyds Bank account and increase in invoices being paid through the Lloyds' account rather than KCC.

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

7. Appendix 4 details the individual balances held in Reserves at the year end and the utilisation forecast for 2015-16.

The final payments for the new vessel have been anticipated by drawing down on the renewals reserve in 2015/16 by £350,000.

The expenditure on the specific reserves of Research, Training and GIS has been set at a figure to equal the expenditure as the pressure on the revenue budget will require funding from reserves

8. The committee is asked to agree that:
 - the sum of £25,892 to be transferred to general reserves and;
 - to note the outturn position.

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