

By: Financial Advisor to The Authority

To: Kent and Essex Inshore Fisheries and Conservation Authority – 25th
May 2013

Subject: **REVENUE BUDGET MONITORING 2012-13, CAPITAL
EXPENDITURE 2012-13, BALANCE SHEET as at 31st MARCH
2013 and STATEMENT of RESERVES**

Classification: Unrestricted

File Ref: BG/IFCA/Finoutreport

Summary: Revenue and Capital Outturn as at 31st March 2013, 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 2013 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 2013. Due to the early date of the Authority meeting, the Actuaries Report for the pension reserve is not yet available. Therefore the balance sheet is not able to be included in these papers but will be available on the day of the Authority meeting 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 £95,795 which is an increased underspend of £68,795 reported last quarter.

The increased underspend from January has arisen from a reduction in the forecast for fuel and oil, (£18,200), support costs to the authority, (£39,000) and other headings amounting to £12,000.

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.

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 £
Recruitment Advertising and Expenses	Advertising costs for Office Manager, Chief Officer, Assistant Chief Officer and Senior Research Officer	3,719
Employee Insurance and Medical Expenses	Reduced outturn for cost of KCC Insurance	-4,224
Fuel for Vessels	Reduced outturn for fuel due to increased use of Tamesis in the north of the district and also Tamesis being used less than expected	-36,367
Travel & Subsistence	Reduction in outturn due to new vehicle and retention of the van	-6,307
Repairs and maintenance for Ken Green	Engine service and cooler replacement deferred from 2011-12	4,100
Research Fund	Reduction in amount needed for this year due to delay in MCZs	-73,868
Training	Reduction in amount required for the current year	-22,144
GIS Reporting Systems	Reduction in amount required for the current year	-8,456
Licenses and Fees	Increased income from Cackle Licenses	-48,000
General Reserves	Reduction in amount required for the current year	40,900
Renewals Reserve	Increase in the contribution to the	

	renewals reserve from savings elsewhere to help fund the new vessel	100,000
Support Costs	Legal, Personnel and PR used less than anticipated	-39,000
Other adjustments	See Appendix 1	-7,148
Total		-£96,795

4. At the January meeting members agreed an additional contribution to the Renewals Reserve in anticipation of the early replacement of the Ken Green. The contribution for the year is £215,000 increasing the reserve balance to £1,166,794
5. Subject to member agreement the remaining surplus of £96,795 should be added to the General Reserve. This will enable flexibility in their use across the authority.
6. The capital expenditure for the year is shown at appendix 2. A Toyota Hilux Van was purchased and the quad bikes replaced.

Financing of capital expenditure was from the sale proceeds of quad bikes, £7,940, and drawdown of the renewals reserve, £19,280.

7. Appendix 3 and a report to accompany it will be available at the Committee meeting on 14th May as detailed in 1 above.
8. 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 2013/14 by £500,000 and £400,000 in 2015/16.

The expenditure on the specific reserves of Research, Training and GIS has previously been reported to the Authority.

9. The committee is asked to **agree**:-
 - a) the sum of £95,795 to be transferred to general reserves and
 - b) to note the outturn position.

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