

From: Bev Gibbs, **Financial Advisor, KEIFCA**

To: KEIFCA Committee Meeting, 20 May 2016.

Subject: 2015-16 Final Budget Monitoring Outturn Report and Annual Return

Classification: **Unrestricted**

Summary: This report gives the financial position for the Authority as at 31st March 2016. It includes the revenue outturn for the year, the balance sheet, the capital spend for the year and the position regarding Reserves and Balances if this reports recommendations are approved.

It also contains the Annual Return for the year which is to be reviewed by external auditors, PKF Littlejohn.

Recommendation(s):

1. The Committee is asked to review and approve the Final Outturn for the year together with the associated financial statements and to approve the movement of the underspend of £92,767.70 to the General Reserve.
2. The Committee is also asked to review and approve the Annual Return and Governance Statement for submission to the external auditors, PKF Littlejohn.

1. Introduction

- 1.1 This report shows the final revenue outturn for the 2015-16 financial year. As well as providing a report showing the outturn against budget with variances and explanations of the £92,767.70 underspend at Appendix 1, there are also other financial statements for the year.
- 1.2 Appendix 2 shows the capital expenditure and funding of that expenditure for the year.
- 1.3 Appendix 3 shows the balance sheet as at 31st March 2016.

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

1.5 Appendix 5 is the Annual Return that will be submitted to the external auditors, PKF Littlejohn for their review.

2. Revenue Outturn 2015-16

2.1 The Revenue Outturn for the year is an underspend of £92,767.70. This is an increase of £25,157 from the January forecast underspend of £67,610. The main reason for this movement is the savings made due to Nerissa not being operational and the sale of the Ken Green.

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

Budget Heading	Reason for Variation	Amount £
Ramsgate, Ken Green and Tamesis – salaries	Staff changes and delay in recruiting.	-33,280
Brightlingsea – Repairs, Alterations and Maintenance	IT wiring and building alterations new offices.	3,929
Brightlingsea – Rental and Service Charges	Increase in rent.	790
Brightlingsea – Furniture and Equipment	Furniture and equipment for new office and additional computer set up costs.	6,188
Ramsgate and Brightlingsea – Protective Clothing	3 dry suits and helmets no longer needed.	-9,036
Ramsgate - Vessels	Savings in harbour dues as Nerissa not delivered when expected and Ken Green has been sold.	-4,437
Ramsgate - Vessels	Not as much maintenance required as budgeted for.	-7,619
Brightlingsea – Tamesis – Fuel & Oil	Reduced mileage & additional surveys not undertaken and no enforcement of the outside area.	-29,685
Brightlingsea – Tamesis Other Vessel Costs	Noise and vibration retest and safe working load retest on gantry plus man over board davit.	2,190

Vehicle Costs	Additional vehicles purchased and more shore patrols increasing fuel costs	4,688
Authority Costs - Support Charges	Reduction in forecast for other support charges and subscriptions.	-20,061
Research	Fishery Officer Post and associated costs	10,788
Contributions and Grants	Defra Grant Funding	-24,519
Other items	Other minor adjustments	7,296
Total		-£92,768

- 2.3 It is recommended that the underspend of £92,767.70 is transferred to the Authority's General Reserve. The General Reserve can be used to support the operational budget in future years and is more flexible than transferring it to the Renewals Reserve or one of the Specific Reserves.

3. Capital Expenditure and Financing

- 3.1 Appendix 2 shows the capital expenditure for the Authority for the year and where the financing for that expenditure has come from. £266,600 was spent on the build of Nerissa making a total spend so far of £1,084,001. The authority has also purchased a Land Rover and a RIB, Blue Jacket, with a trailer. The Ken Green and an old vehicle were sold with proceeds totalling £218,034. A further £100,453 was needed from the Renewals Reserve to fund the capital purchases.

4. KEIFCA Balance Sheet as at 31st March 2016

- 4.1 Appendix 3 shows the Authority's balance sheet as at 31st March 2016. There has been a decrease in cash due to payments for Nerissa and the additional assets purchased during the year. The General Reserve has increased by the surplus of £92,767.70 in anticipation of the Authority's approval of this report. The balance sheet continues to show a healthy position for the Authority.

5. Balances on Reserves and their Utilisation for 2016-17

- 5.1 Appendix 4 shows the position of the reserves for the Authority as at 31st March 2016 if the recommendation of transferring £92,767.70 is approved. The budgeted amount of £132,864 has been transferred to the Renewals Reserve with capital expenditure of £100,453 drawn down to fund the cost of Nerissa and the other capital purchases. There was no drawdown from the General or Specific Reserves during the year as this was not needed. The utilisation of the reserves for the coming year are shown as in the budget for 2016-17. This may need to be reviewed dependant on the need for expenditure on Nerissa.

6. Annual Return and Governance Statement

- 6.1 Appendix 5 is the Annual Return and Governance Statement for the Authority. This will be sent to the external auditors for their review. It contains all the information contained in the Final Monitoring Outturn Report and the Balance Sheet but is presented in a different format. This return has already been reviewed by Kent County Council's Internal Audit Team and is now ready for the Authority's review and approval.

7. Recommendation:

- 7.1** The KEIFCA Committee is asked to review the final revenue outturn and associated financial statements for the year 2015-16 and to approve the transferring of the underspend of £92,767.70 to the General Reserve.
- 7.2** The KEIFCA Committee is also asked to review and approve the Annual Return and Governance Statement for its submission to PKF Littlejohn.
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