



Agenda Item B2

From: Bev Gibbs, Financial Advisor, KEIFCA

To: Kent and Essex Inshore Fisheries and Conservation Authority – 23rd January 2017.

Subject: Draft Budget Report 2017-18

Classification: **Unrestricted**

Summary: This report gives the draft budget for the Authority for 2017-18. The appendices include the draft Revenue Budget, Table of Levies and the Reserves Position for 2017-18.

Recommendations:

1. The Authority is asked to review and agree the budget of £889,600 for the year 2017-18.
2. The Authority is asked to agree the levies shown in Table 1 to the constituent authorities.

1. Draft Outline Budget 2017-18

1. The Kent and Essex Inshore Fisheries and Conservation Authority (KEIFCA) currently levy on the constituent authorities the sum of £889,600 which is divided between Kent and Essex authorities on the basis contained in the statutory instrument which came into force on 1st October 2010 (SI 2010 no. 2190).
2. A 1% pay increase has been allowed for in this budget together with the allowance for career progression. The cost of the 1% increase is approximately £4,200. The employer's pension contributions for KEIFCA are reduced from 23.5% to 23%, making a small saving. The introduction of the Apprenticeship Levy of 0.5% in April 2017 has increased the salary budget by £2,100.

3. The Apprenticeship Levy is being introduced in April 2017 and will be set at 0.5% of an organisation's NICable pay bill. It applies to those organisations with a pay bill of over £3,000,000. KEIFCA will be contributing because the IFCA's payroll is part of the main KCC payroll. In return, it will be able to draw down its contribution plus an additional 10% government funding to provide approved apprenticeship training. Further work needs to be done to assess how the Apprenticeship Levy can be accessed and posts be identified as apprentice posts.
4. The levy has been kept at the same level as 2016-17 at £889,600 as was agreed at the Authority Meeting on 24th January 2014 as part of the Medium Term Plan. The budget for 2017-18 has been allocated in line with the IFCA's operating plan and all heads of expenditure examined to ensure cost effectiveness and value for money.
5. The budget has been drafted in order to achieve the strategy and annual plan of the IFCA. The detailed revenue budget is set out at **Appendix 1**.

2. Reserves and Capital Plan

1. The budget for 2017-18 includes the use of reserves of £9,000; to support research, £7,000, training, £1,500 and Geographical Information Systems (GIS), £500.
2. A further £111,450 will be needed from Reserves to support the increased cost of Nerissa as this cannot be supported from the Levy at its current level. £30,000 of the £111,450 is an amount included for any first year major repairs and adjustments and is line with the amount budgeted for Tamesis in her first year of operation. This means that the full £111,450 may not be required. The General Reserve is budgeted to be £574,168 at the end of 2017-18.

There is also a further capital spend on Nerissa in 2016-17 of approximately £124,000 that will be taken from the Renewal Reserve. This will have depleted the renewals reserve and the balance at the end of 2016-17 is anticipated to be £605,331. This is net of a renewals contribution of £87,987. The amount allocated to the Renewals Reserve in the 2017-18 budget is £89,359. No capital expenditure has been allocated in 2017-18 as yet due to the position with Nerissa. The Renewals Reserve balance at 31st March 2018 is budgeted to be £694,690.

3. The Reserves are set out in **Appendix 3**.

3. The Levy

1. Whilst constituent authorities pay the full levy to KEIFCA this is offset by Specific Grant for Inshore Fisheries payable to authorities and the net sum that authorities suffer is shown on lines 19 to 21 of **Appendix 2**. Members should be aware that the Minister has confirmed that the Specific Grant is to continue at the same level until 2020.

2. The levy, based on the above, for each Authority is shown below and in full at **Appendix 2.**

TABLE 1

| Local Authority | Proposed Levy 2017-18 £ |
|------------------------|--|
| | |
| Kent | 383,600 |
| Medway | 67,200 |
| Essex | 383,600 |
| Thurrock | 33,700 |
| Southend-on-Sea | 21,500 |
| | |
| Total | 889,600 |

4. Recommendations:

1. The Authority is asked to review and agree the budget of £889,600 for the year 2017-18.
2. The Authority is asked to agree the levies shown in Table 1 to the constituent authorities

5. Contact Details

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