

From: Chelsea Green, **Financial Advisor, KEIFCA**

To: Kent and Essex Inshore Fisheries and Conservation Authority – 30 November 2020.

Subject: Revenue Budget Monitoring Report 2020-21.

Classification: **Unrestricted**

Summary: This report gives the estimated financial outturn position for the Authority based on data at the end of October 2020. Appendix 1 includes the actuals to 31 October 2020 and the revenue outturn forecast for the year with the variance to the budget.

Recommendation(s):

1. The Authority is asked to review and approve the forecast underspend for the year of £112,478. This underspend is indicative at the present time and is likely to change throughout the year.

1. Introduction

This report shows the likely outturn based upon data at the end of October 2020. The impact of COVID-19 has meant that there has been a change in the forecasted levels of expenditure in certain areas but also significant cost savings in others. It has been necessary to increase expenditure on PPE.

As previously reported, Members will also recall that they approved the use of £170,000 from Reserves to fund the refurbishment of Tamesis that will be taking place this financial year for replacement electronics and a deck refit. Due to COVID-19 this refit has been postponed.

2. Revenue Outturn 2020-21

2.1 The forecast Revenue Outturn for the year is an underspend of £112,478. The underspend is due to a decrease in sea patrols causing fuel & oil costs in relation to vessels to reduce. Due to the impact of COVID-19, meetings are currently being held virtually which has led to a decrease in venue hire and refreshment costs as well as members' travel costs. The amount of training and

research that can be carried out have also been adversely affected causing expenditure to fall. A reduction in staff costs, subsistence expenses and legal fees can also be seen. There are two main revenue streams which were not budgeted for:

- Income of £26,493 from the MMO. This is for the hire of Nerissa for use in Brexit patrols.
- Grant income of £21,000 for Vigilant, received from the EMFF.

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

Budget Heading	Reason(s) for Variation	Amount (variation from budget) £	Amount (generated revenue & proceeds) £
Salaries	Essex RIB Coxswain has returned from maternity leave on a part time basis. Recruitment of Lead Scientific Officer and IFC officer postponed due to COVID-19 with posts not filled until May and June 2020.	-20,744	
Protective Clothing	Increase in PPE purchased due to COVID-19.	+3,704	
Travel & Subsistence	Less travelling between Kent & Essex due to social distancing/COVID 19. Purchase of 2 additional vehicles reduces use of employees' own vehicles for which mileage is usually claimed. Meetings attended virtually.	-6,425	
Vehicles – Fuel & Oil	Increase in shore patrols. Due to social distancing/COVID-19 employees aren't sharing vehicles.	+3,600	
Vessels - Fuel & Oil	Fewer sea patrols are being carried out resulting in a fall in fuel costs. Nerissa not in use between April-July due to staffing issues caused by COVID-19.	-9,518	
Income – Hire of Vessels	Proposed income from MMO for 13 x Brexit patrols by Nerissa.		-26,493
Equipment (IT)	New IT server has been installed (which was originally going to be financed from reserves). This also incurs higher data storage costs.	+2,879	
General/Other	Employees not travelling to meetings as they are virtual and no overnight stays.	-4,865	
Legal Fees	Anticipated reduction in legal fees due to reduction in necessity for prosecutions..	-9,000	
Hire of Rooms & refreshments	Authority meetings are currently being held virtually.	-2,200	

Budget Heading	Reason(s) for Variation	Amount (variation from budget) £	Amount (generated revenue & proceeds) £
Members' Travel and Subsistence	No travel costs for members as meetings are being held virtually.	-2,500	
Advertising By-Laws	Budget usually covers two by-laws per year however, only expecting to advertise one this year.	-2,500	
Training Programme	Advanced and Competent Officer training course predicted to not go ahead amongst others. Online courses only at present.	-11,881	
Research Fund	PhD planned to start in 2020 with a staff member now will be undertaken by a student appointed by & mentored by Essex University resulting in a reduction in costs.	-14,080	
Cockle Surveys	Majority of underspend due to decision made not to use Succorfish tracking on cockle dredges this year	-7,646	
Contribution and Grants	Reduced spend on SUMARiS project has resulted in a reduced claim for grant income. Grant income of £21,000 for Vigilant has been received from EMFF.	+17,700	-21,000
Other	Other Minor Variances	-1,509	
Sub-Total		-64,985	-47,493
Total		-112,478	

2.3 At the September meeting the Authority informed Members it would continue to monitor the position of the constituent Local Authorities' budget setting and the challenges that they face for 2021-22. The Authority remains conscious of the enormous pressures that have been put on Local Authorities' budgets for the upcoming year. Their draft budgets for 2021-22 are currently undergoing review and there is still a considerable gap between the forecasted income and expenditure which must be closed before the final budgets are agreed and released. The Authority recognise that this is an incredibly challenging task for the constituent Local Authorities which has become even more pressurised than in previous years due to COVID-19.

Although the Authority is in a favourable position at present, Members should be reminded that the predicted savings are unexpected and would not be present had COVID-19 not occurred. It is still important to be mindful of the cost of potential post-Brexit duties which are due to commence shortly, and the need to not compromise the efficient day-to-day running of the Authority in the coming years. It was also stated at the last meeting that the Authority felt it would be inappropriate to ask for the increases in contributions which were originally put

forward to Members at the January 2020 meeting. This is due to the current financial climate along with the budget pressures mentioned above. This opinion is very much unchanged.

3. Recommendation:

3.1 The Authority is asked to review and approve the forecast underspend for the year of £112,478. This underspend is indicative at the present time and is likely to change throughout the year.

4. Contact Details

Report Author: Chelsea Green
Name and job title KEIFCA Financial Advisor
Telephone number 03000 418250
Email address: chelsea.green@kent.gov.uk