

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

To: Kent and Essex Inshore Fisheries and Conservation Authority – 29 January 2021.

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 December 2020. Appendix 1 includes the actuals to 31 December 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 £80,111. 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 December 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.

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 £80,111. The underspend is due to a reduction 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:

- Estimated income of £10,439 from the MMO. This is for the hire of Tamesis 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.	+3,496	
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.	-8,856	
Vessels – Equipment, Repairs and Maintenance	8 new batteries, 2 prop shafts and rudder bearings needed for Nerissa plus dry-dock fees to allow MCA required maintenance/repairs to be carried out	+2,068	
Vessels - Fuel & Oil	Fewer sea patrols are being carried out resulting in a fall in fuel costs. Nerissa not in use between April-July 2020 due to staffing issues caused by COVID-19 and is currently not in service due to repairs outlined above.	-16,983	
Vehicle costs - Insurance	Unbudgeted purchase of 2 new vans has led to higher insurance costs.	+1,150	
Other Vehicle Costs	Purchase of two new VW vans due to social distancing and COVID-19 guidelines meaning that staff do not have to share vehicles.	+27,471	
Income – Hire of Vessels	Proposed income from MMO for 7 x Brexit patrols by Tamesis.		-10,439
Equipment (IT)	New IT server has been installed (which was originally going to be financed from reserves). This also incurs higher data storage costs.	+4,439	

Budget Heading	Reason(s) for Variation	Amount (variation from budget) £	Amount (generated revenue & proceeds) £
Hire of Rooms & refreshments	Authority meetings are currently being held virtually.	-2,200	
General/Other	Employees not travelling to meetings as they are virtual and no overnight stays.	-4,814	
Legal Fees	Anticipated reduction in legal fees due to reduction in necessity for prosecutions.	-11,000	
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.	-14,881	
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.	-13,380	
Cockle Surveys	Majority of underspend due to decision made not to use Succorfish tracking on cockle dredges this year.	-7,723	
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	+585	
Sub-Total		-48,672	-31,439
Total		-80,111	

2.3 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. Activities besides the usual day-to-day running of the authority have been postponed or cancelled. Had the activities such as training, research and large number of sea patrols taken place as usual, the authority predicts that it would be close to little or no underspend. Although the post-Brexit duties still remain unclear at the moment and will do for some time due to the presence of COVID-19, it is important to be mindful of what costs could be associated with this over the coming years.

3. Recommendation:

3.1 The Authority is asked to review and approve the forecast underspend for the year of £80,111. This underspend is indicative at the present time and is likely to change throughout the year.

4. Contact Details

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