



Agenda Item B2

By: Su Martin, Financial Advisor, KEIFCA

To: Kent and Essex Inshore Fisheries and Conservation Authority –  
26<sup>th</sup> January 2023

Subject: Draft Budget 2023-2024

Classification: **Unrestricted**

**Summary:**

This report gives the draft budget for the Authority for 2023-2024. Appendix 1 and 2 include the draft Revenue Budget and Table of Levies.

**Recommendations:**

1. That the budget of £983,944 and the levies shown on the constituent authorities in table 2 for 2023-2024 are **AGREED**.

**Draft Outline Budget 2023-24**

1. The Kent and Essex Inshore Fisheries and Conservation Authority (KEIFCA) currently levy on the constituent authorities the sum of £955,242 which is divided between Kent and Essex authorities on the basis contained in the statutory instrument which came into force on 1<sup>st</sup> October 2010 (SI 2010 no. 2190). This includes a payment made by Central Government to all the Local Authorities, aside from Southend Council, called New Burdens Funding (NBF) which is to pay for the additional costs imposed on the Local Authorities by the new IFCA duties in the Marine and Coastal Access Act 2009. This funding is paid to Local Authorities via the Area Specific Grant (ASG), which is then passed on to the IFCA.

2. KEIFCA officers work closely with Local Authority finance officers in setting annual and medium-term budgets. During 2022 officers have set out in their reports that there would be a need to increase the levy in order that expenditure could be met going forward and requested that Local Authority Members bear this in mind when in discussion with their Local Authorities. All of the constituent Authorities have been consulted and have not raised concerns over the proposed increase.
3. Since being established in 2011, KEIFCA has striven to maintain best value for money in all its operations, always being mindful of the spending of public funds. This combined with the period of austerity introduced by the Government in 2013, has led to only three levy increases since 2011; in 2015, then in 2020 and 2022.

In setting this budget KEIFCA has considered the challenges facing them in the coming year of which the most concerning has been the rate of inflation which is close to its highest level since 1981 at 10.67% and the effect that this has on the day to day running of the Authority.

4. The budget has been drafted with the cost pressures outlined together with savings and reductions in order to achieve the strategy set out. The budget for 2023-2024 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. Increases in the cost of fuel, electricity and consumables have impacted on the delivery of the budget and reluctantly a decision has been made to freeze two posts – the Science and Conservation Officer and the RIB Cox/MPA officer for the 2023/24 period.
5. The detailed revenue budget for 2023-2024 is set out at Appendix 1 and the below table highlights some of the increases and savings that included in the 2023-2024 draft budget.

Item	Budget 2023-24	Notes
Staffing :	712,932.00	6% saving in overall staffing costs reduction of 45k in salaries from 22/23 budget - there is no recruitment budgeted for staff vacancies in 2023/24
Premises :	41,441.85	37% saving from 22/23 (mainly due to Brightlingsea office refit allocation in 2022/23) 10% increase in rental costs for Ramsgate
Vessels :	137,081.90	35% increase in vessel costs overall Increase of 89% in the fuel budget based on price per litre in Aug 22 and allowing for fuel duty rebate Savings on major repairs budget for Vigilant, increases to repair and maintenance budgets for Nerissa and Tamesis
Vehicles:	14,080.00	10% increase to the budget for vehicles
Supplies and Services:	36,158.00	10% increase to the budget for supplies and services
Total Ramsgate & Brightlingsea Budget:	941,693.75	
Support Charges:	40,250.00	7% saving in support charges budget, mainly due an expected reduction in legal charges
Other Costs:	29,119.00	5% increase in Other costs budget
Survey and Project Costs:	- 83,646.00	2% increase in survey and project costs overall 18% increase in budgeted costs for cockle surveys (quad bikes)
Total Costs:	927,416.75	3% decrease in the total revenue budget
Interest & Investment Income	- 2,000.00	No change in budget for interest income
Net Operating Expenditure	925,416.75	
Appropriations: Transfer to/from General Reserves	58,527.25	113% increase in budget reserves transfer, this will cover drawdowns from Reserves to cover Cockle Review Expenditure
Amount to be met from Levies	983,944.00	
Appropriations: Levies	- 983,944.00	3% increase in levy
Net (Surplus)/(Deficit) for the Year	-	

*Table 1 Increases and savings in the draft budget*

6. 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 originally 2020-21 was the final committed year in which the Specific Grant would be available, however, the Minister has confirmed that the Specific Grant is to continue at the same level for the year 2023-2024. Members should be aware that there has been no confirmation that it will continue indefinitely.
7. The levy, based on the above, for each Authority is shown below and in full at Appendix 2.

Local Authority	Levy + Area Specific Grant 2022-23	3% increase in levy	Levy + Area Specific Grant 2023-24
Thurrock	£36,204	£1,088	£37,292
Medway	£72,121	£2,167	£74,288
Essex	£411,900	£12,376	£424,276
Kent	£411,900	£12,376	£424,276
Southend	£23,117	£695	£23,812
<b>Total</b>	<b>£955,242</b>	<b>£28,702</b>	<b>£983,944</b>

Table 2. Proposed levy (including Specific Grant) per constituent Local Authority.

8. The development of a medium-term financial plan to include the levy increases over the next 3-5 years to assist both KEIFCA and contributing local authorities is expected to take place in the coming financial year

## 2. Recommendation

1. That the budget of £983,944 and the levies shown on the constituent authorities in table 2 for 2023-2024 are **AGREED**.

## 3. Contact Details

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