



Agenda Item B2

By: Su Martin, Financial Advisor, KEIFCA

To: Kent and Essex Inshore Fisheries and Conservation Authority –
30th January 2024

Subject: Draft Budget 2024-2025

Classification: **Unrestricted**

Summary:

This report gives the draft budget for the Authority for 2024-2025. Appendix B1 and B2 include the draft Revenue Budget and Table of Levies.

Recommendations:

1. That the budget of £1,013,462 and the levies shown on the constituent authorities in table 1 for 2024-2025 are **AGREED**.

1. Draft Outline Budget 2024-2025

1. The Kent and Essex Inshore Fisheries and Conservation Authority (KEIFCA) currently levy on the constituent authorities the sum of £983,944 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). IFCAs are funded by levy charged to their sponsoring local authorities who have a legal duty to pay it, once the amount of levy has been agreed. When Parliament created IFCAs, Government recognised that the increased role might impose further costs on some Local Authorities. Government sought to defray these costs by making 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 IFCFA 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 IFCFA.

2. 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 2024-2025 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 electricity and consumables as well as rental and contractual increases for office spaces, insurances, harbour fees, IT, photocopying have been considered. Additionally, the burden of expected increases in legal costs for TECFO 24 plus advertising of bye laws for MPA management have added pressure to the budget.

Savings in the coming financial year are due from staffing to 3 grant funded posts and significant reductions in the fuel costs enabling a much reduced budget. Increases in licences and survey income as well as expected increases in interest income due to the sustained higher rate of interest nationally are also expected. Members will note that the contribution to reserves has been set at £90,000. This is as requested by Members at their last meeting where they accepted the recommendation of the Technical Panel to put as much money as possible into the renewals reserves each year for future fleet replacement.

3. KEIFCA officers have worked closely with Local Authority finance officers in setting annual and medium-term budgets. Finance Officers from all of the constituent Authorities have been consulted and have not raised concerns over the proposed increase.

4. The detailed revenue budget for 2024-2025 is set out at Appendix 1 and the below table highlights some of the increases and savings that included in the 2024-25 draft budget.

5. 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 in 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 2024-2025. Members should be aware that there has been no confirmation that it will continue indefinitely.

Item	Budget 2024-25	Notes
Staffing :	688,073.00	Salary costs will increase from 2023/24 by 63k due to 3% increase and the recruitment of a full time Cockle Officer and a part-time Angling Officer. Both of these posts alongside the part time Scientific Officer are funded from the DEFRA grant. The overall impact of the grant funding is 4% reduction from 2023/24 in staffing costs to the Authority
Premises :	43,628.00	5% increase in costs for Premises The increases are mainly due to an uplift of the rent for the Kent office in line with RPI and the end of the fixed rate electricity charges in November 2024 are likely to result in higher electricity bills.
Vessels :	126,656.00	8% saving in vessel costs overall The fuel budget is set 52% lower than 2023/24 due to decreasing cost. This is helping to offset increases in the major repairs budget 10%, harbour dues 10%, insurance 6% and 39% for replacement and renewal of essential equipment and supplies.
Vehicles:	12,200.00	15% saving in overall vehicle budget. Mostly due to decreases in fuel prices and a lower budget set for repairs and maintenance
Supplies and Services:	45,339.00	20% increase to the budget for supplies and services Largest increase is 56% for Specialist services covering items such as fire extinguishers, fire alarm testing service, MCSS access for both Kent and Essex offices, Staysafe app, Clue licences and storage container rental Photocopier rental charges increased by 34%. Other services have increased such as postage and stationery but by smaller percentages.
Total Ramsgate & Brightlingsea Budget:	915,896.00	3% saving across the Ramsgate / Brightlingsea budgets overall.
Support Charges:	80,310.00	50% increase in Support charges The budget for legal costs has been increased by 80% in anticipation of Judicial Review for TECFO 24
Other Costs:	43,504.00	33% increase in Other costs budget The largest increase is to cover for costs for advertising proposed byelaws for MPA management measures There are smaller budgeted increases in room hire and subscriptions
Survey and Project Costs:	- 92,179.00	9% increase in survey and project costs overall Licence income is forecast to increase by 14% while other income for surveys is forecast to increase by 11% Notable cost increases are 72% on Communications and Engagement - development of new website and 25% increase in the costs for wheel tags and containers
Total Costs:	947,531.00	2% saving in the total revenue budget
Interest & Investment Income	- 24,069.00	92% increase in budget for interest income due to higher interest rates over 23/24 that are expected to remain higher for the next few months
Net Operating Expenditure	923,462.00	
Appropriations: Transfer to/from General Reserves	90,000.00	35% increase in budget reserves transfer
Amount to be met from Levies	1,013,462.00	
Appropriations: Levies	- 1,013,462.00	3% increase in levy
Net (Surplus)/(Deficit) for the Year	-	

Table 1 Increases and savings in the draft budget

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

Local Authority	Levy + Area Specific Grant 2023/ 24	3% increase in levy	Levy + Area Specific Grant 2024/ 25
Thurrock	£37,292.00	£1,119	£38,411
Medway	£74,288.00	£2,229	£76,517
Essex	£424,276.00	£12,728	£437,004
Kent	£424,276.00	£12,728	£437,004
Southend	£23,812.00	£714	£24,526
Total	£983,944.00	£29,518.32	£1,013,462

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

7. 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 1,013,462 and the levies shown on the constituent authorities in table 1 for 2024-2025 are **AGREED**.

3. Contact Details

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