



Agenda Item B2

By: Su Martin, Financial Advisor, KEIFCA

To: Kent and Essex Inshore Fisheries and Conservation Authority –
28^h January 2025

Subject: Draft Budget 2025-26

Classification: **Unrestricted**

Summary:

This report gives the draft budget for the Authority for 2025-26. Appendix B1 and B2 include the draft Revenue Budget and Table of Levies.

Recommendations:

1. That the budget of £1,028,664 and the levies shown on the constituent authorities in table 1 for 2025-26 are **AGREED**.

1. Draft Outline Budget 2025-26

1. The Kent and Essex Inshore Fisheries and Conservation Authority (KEIFCA) currently levy on the constituent authorities the sum of £1,013,462 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 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.

Local Authority	Area Specific Grant
Thurrock	£15,000.00
Medway	£32,500.00
Essex	£178,400.00
Kent	£137,900.00
Southend	£0.00
Total	£363,800.00

Table 1 Area Specific Grant each LA

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 2025-26 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 budget come from the new pay scales for salaries as agreed in the Authority meeting in September 2024. This is offset by one post fully funded and one partially funded by the DEFRA grant and another member of staff funded by the cockle licence income. Other increases to the budget relate to the costs of equipment, insurance and harbour fees with the new RIB due to come into service in May 2025. Nerissa has an increased budget for replacements for exhaust, heating and fuel hoses and fire suppression systems required to be upgraded by the New Workboat Code.

With more stability in the cockle permit fishery, income from Cockle permits has been included in the budget for the first time in some years and as prescribed within the new Regulating Order, licence income will also increase. This gives an expected increase in income from these two fisheries in this financial year of around 37%. Additionally, savings are also expected from removal of one off items that were budgeted for in 2024/25 but are no longer required, this includes the website redesign, advertising byelaws and the legal budget which was increased significantly to manage any potential judicial review relating to T24. Savings from 2024/25 will be ringfenced in reserves to manage any future threat of judicial review.

We have modestly increased the budget for interest income due to the sustained Bank of England interest rate. However, should this not be achieved, it will be offset by a reduction in the budgeted reserves transfer. Members will note that

the contribution to reserves has not been changed from 2024/25 and has been set at £90,000. This is as requested by Members in November 2023 on acceptance of the recommendation of the Technical Panel to put as much money as possible into the renewals reserves each year for future fleet replacement. The combination of increases and savings in 2025/26 gives an overall budget increase of 1.5%.

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 1.5% increase.
4. The detailed revenue budget for 2025/26 is set out at Appendix 1 and the below table highlights some of the increases and savings that included in the 2025/26 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 2025/26. Members should be aware that there has been no confirmation that it will continue indefinitely.

Item	Budget 2025-26	Notes
Staffing :	812,682.00	15.3% increase in staffing budget proposed due to review of pay scales for all staff (previously agreed at the Authority meeting in September 2024). 48.3k of staffing costs will be refunded by the DEFRA grant. Additional budget has been added to subsistence expenses for the new RIB sea trials.
Premises :	44,540.00	2% increase in budget for Premises to cover general price increases.
Vessels :	156,037.00	19% increase in the running costs budgets for the vessels. Additional budget has been allocated to Nerissa for upgrades to equipment in line with the New Workboat Code. The fuel budget has decreased for Nerissa as the new RIB comes into service this year Increases are budgeted for insurance and harbour fees for the new RIB

		Additionally, income is forecast for sampling work for Thanet District Council
Vehicles:	12,950.00	6% increase in overall vehicle budget. This is a relatively small budget and the increases reflect general price rises.
Supplies and Services:	53,301.00	15% increase to the budget for supplies and services The bulk of the increase is for equipment that will be needed when the new RIB comes into service
Total Ramsgate & Brightlingsea Budget:	1,076,182.00	15% increase overall for the Ramsgate and Brightlingsea budget
Support Charges:	40,420.00	99% saving from 2024/25 on the support charges budget. In 2024/25, 50k had been allocated to the legal budget to manage any costs that might have arisen if a judicial review was raised in respect of T25 regulations. This is not now expected in 2024/25. The remaining budget that was allocated this year is proposed to be ringfenced in reserves to cover for this eventuality.
Other Costs:	32,204.00	35% decrease in Other costs budget The largest decrease is removal of the one off budget for advertising proposed byelaws for MPA management measures in 24/25 as this is not anticipated in 25/26 There are budgeted increases in room hire for the T24 panel meetings and subscriptions have increased
Survey and Project Costs:	(158,161.00)	42% increase in survey and project costs overall Licence income is forecast to increase by 37% while other income for surveys is forecast to increase by 3% Notable cost decreases are 156% on Communications and Engagement - removal of the one off budget in 24/25 for website development Research funds budget is rising by 64% to cover for work on the manilla clam trials 25% increase in Training as there are a number of MMO required training courses due in 25/26
Total Costs:	990,645.00	4.4% increase overall in the total revenue budget
Interest & Investment Income	(51,981.00)	54% increase in budget for interest income, while remaining cautious but also aiming to reflect a sustained higher level of interest in recent months. If interest income is not achieved, the shortfall will be taken from the budget allocated to reserves.

Net Operating Expenditure	938,664.00	Overall increase of 1.6% in Net operating costs
Appropriations: Transfer to/from General Reserves	90,000.00	No increase in proposed transfer to reserves
Amount to be met from Levies	1,028,664.00	
Appropriations: Levies	(1,028,664.00)	This proposed budget will require 1.5% increase in levy
Net (Surplus)/(Deficit) for the Year	-	

Table 2 Increases and savings in the draft budget

6. The levy, based on the above, for each Authority is shown below

		2025/26		
Local Authority	Area Specific Grant	1.5% increase in levy	Levy	Levy + Area Specific Grant 2025/26
Thurrock	£15,000.00	£576	£23,987	£38,987
Medway	£32,500.00	£1,148	£45,164	£77,664
Essex	£178,400.00	£6,555	£265,159	£443,559
Kent	£137,900.00	£6,555	£305,659	£443,559
Southend	£0.00	£368	£24,894	£24,894
Total	£363,800.00	£15,202	£664,864	£1,028,664

Table 3. Proposed levy (including Specific Grant) per constituent Local Authority.

2. Recommendation

1. That the budget of £1,028,664 and the levies shown on the constituent authorities in table 2 for 2025-26 are **AGREED**.

3. Contact Details

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