

Agenda Item B2

By: Su Martin, Financial Advisor, KEIFCA

To: Kent and Essex Inshore Fisheries and Conservation Authority –
27th January 2026

Subject: Draft Budget 2026-27

Classification: **Unrestricted**

Summary:

This report gives the draft budget for the Authority for 2026-27.

Appendix 1 details the draft Revenue Budget.

Recommendations:

1. That the budget of £1,059,524 and the levies shown on the constituent authorities in table 3 for 2026-27 are **AGREED**.

Background to the budget

The Kent and Essex Inshore Fisheries and Conservation Order (KEIFC Order) 2010 establishes the Kent and Essex Inshore Fisheries and Conservation Authority and its District and lays out the key aspects of running the Authority.

KEIFCA is a 'joint committee' as described by the Local Government Act 1972, bringing together the Local Authorities within the district to jointly carry out shared functions and duties as outlined in the Marine and Coastal Access Act 2009 (153, 154).

KEIFCA produces an annual budget with a corresponding annual plan each year before the start of the financial year. A draft budget is put to the Authority for approval at the January meeting as part of the annual levy process. All Authority Members can contribute to the debate about the budget; however, it is only the Councillors from the constituent Local Authorities that vote on the budget as laid out in the KEIFC Order 2010.

KEIFCA receives income from three main sources. The primary income source is from the levy from the constituent Local Authorities. 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). IFCAAs 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.

<i>Relevant council</i>	<i>Percentage</i>
Essex County Council	43.12%
Kent County Council	43.12%
Medway Council	7.55%
Southend on Sea Borough Council	2.42%
Thurrock Council	3.79%

In recognition of the additional duties or requirements made under the Marine and Coastal Access Act central government (DEFRA) makes an annual payment to each IFCA. This used to be known as the 'New Burdens' money but is now referred to as the 'Area Specific Grant'. This amount has not increased since it was first allocated in 2011 and is given directly to each council based on a formula that includes relative size, population and length of coastline (applying this formula to Southend Borough Council resulted in no additional Area Specific Grant). 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 Grants by Authority

Since 2021 KEIFCA has also receive annual specific grant funds from DEFRA to support the IFCA's resource for key policy areas. These funding streams are reviewed by DEFRA annually, with no guarantee that the funding will continue longer than outlined in each annual letter, or that previous levels of funding will be maintained. In addition, the letters agreeing the funding are usually issued towards the end of each financial year, which makes planning more challenging. Money from this income stream is ringfenced and not counted as income within the IFCA annual budget. Spending from this income stream is specifically highlighted in either the annual budget or in quarterly meeting papers.

£50,000 - Support the IFCA's in contributing to the Fisheries Management Plans programme to support DEFRA to drive forward the improvement in the sustainable management of fish stocks and fisheries and shift towards an ecosystem-based approach to management taking account of climate change.

£50,000 - Ensuring all fishing activity in Marine Protected Areas within IFCA districts has been assessed and, where necessary, aim to put fisheries management measures in place during the 2025/26 financial year, supporting the achievement of Good Environmental Status under the Marine Strategy Regulations (2010) and engaging with the MPA Network Review.

£30,000 - Support the IFCA's resource for key policy areas including marine licensing and marine planning

Income from Permits and Licences primarily looks to recover costs of managing the fishery (evidence gathering, management, enforcement etc.). Fees from our flexible permits (whelks and cockles) are fixed per permit issued, by text written into the byelaw. Licence fees for cockle (TECFO) licences can be set each year by a process laid out in the TECFO 2024 management plan, which involves the minister agreeing a licence fee set by the Authority.

Draft Outline Budget 2026-27

1. The budget has been drafted with the cost pressures outlined together with savings and reductions in order to achieve the strategy set out in the Annual Plan. The budget for 2026-27 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 by the DEFRA grant. Other increases to the budget relate to general cost increases for utilities, rent and rates as well as IT equipment and cloud storage and website security.

There are some savings from removal of budget for the T24 Regulatory Order in 2025/26 in Administration Management, removal of additional subsistence budget for site visits to RIB Nemo during her build and a reduction in the budget for manila clam trials based on the planned work for 2026/27. Repair, maintenance and fuel budgets for the vessels has an overall decrease as major works for Nerissa in respect of the Workboat Code took place in 2025/26.

Income is budgeted at an increase of 14% on 2025/26 which is due to the CPI rate at November 2025 being applied to the cockle licence fees and also for charges for cockle sampling work at Margate Sands to Thanet District Council. We have again modestly increased the budget for interest income due to the sustained Bank of England interest rate, in order to keep the levy increases to a minimum. However, should this not be achieved, it will be offset by a reduction in the budgeted reserves transfer.

Further budgeting changes to keep the levy increases to a minimum include funding all training costs which are budgeted to increase by £4k in 2026/27 via the ringfenced training reserve. In addition the cost of GIS software will be funded via the ringfenced GIS reserve.

Members will note that the contribution to reserves has not been changed from 2025-26 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 2026-27 gives an overall budget increase of 3%, which amounts to £30,860.

2. The draft IFCA budget which is presented for approval by the Authority has been developed in the context of the published draft budgets of the precepting authorities – the relevant Councils are all going through their required Budget approval processes at present, with final decisions on their Budgets by all of their Councillors to take place in February.

IFCA Officers, and the financial advisor to the IFCA supported by Finance colleagues at Kent County Council, work with the Finance teams across all the precepting Councils to support the consideration of the IFCA budget requirements

being built into the relevant draft budgets, subject to the internal arrangements of each individual Council.

At this stage, the Executives of the Councils have prepared draft budgets which make provision for the funding amounts listed in this paper – while these have not yet secured final agreement by the Full Councils of each Authority, the Members responsible for developing their draft budgets are content with the proposed funding levels. This should give Authority Members assurance that there is currently adequate funding provision in place to allow them, if so minded, to approve the draft budget presented for decision.

If approved, implementation of the IFCA budget would be subject to all the precepting Councils approving their own budgets in February. Members will be advised if there are any developments on this point.

3. The detailed revenue budget for 2026/27 is set out at Appendix 1 and the below table highlights some of the increases and savings that are included in draft budget.
4. Whilst constituent authorities pay the full levy to KEIFCA this is offset by the Area 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 Area Specific Grant would be available, however, the Minister has confirmed that the Area Specific Grant is to continue at the same level for the year 2026/27. Members should be aware that there has been no confirmation that it will continue indefinitely.

Category	25/26	26/27	% Change	Notes
Staffing	817,362.00	885,924.00	8%	pay increases due to the new salary structure
Premises	94,564.00	98,076.00	4%	general utility cost increases
Vessels	151,957.00	136,202.00	-12%	Increased budget in 2025/26 for Workboat Code upgrades and movement of parts of the budget due to re-coding
Vans	12,950.00	13,220.00	2%	
Quad Bikes	5,500.00	9,310.00	41%	recoding of the storage fees from Research fees to vehicles budget
Research	24,550.00	24,878.00	1%	
Training	12,720.00	0.00	100%	Funded from the Training Reserve

Administration	81,051.00	82,416.00	2%	
Communications	2,700.00	3,895.00	31%	Website hosting and security cost increases
Income	(264,690.00)	(284,397.00)	7%	CPI November 25 applied to cockle licences and increase to Interest income budget
Net Operating Expenditure	938,664.00	969,524.00	3%	
Appropriations: Renewals Reserve	90,000.00	90,000.00	0%	
Amount to be Met from Levies	1,028,664.00	1,059,524.00	3%	
Levy	(1,028,664.00)	(1,059,524.00)	3%	
Net Surplus / Deficit	0.00	0.00		

Table 2 Budget changes from 2025/26 to 2026/27

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

Local Authority	Area Specific Grant	2025/26		2026/27		
		Levy	Levy + Area Specific Grant 2025/26	3% increase	Levy	Levy + Area Specific Grant 2026/27
Thurrock	£15,000	£23,987	£38,987	£1,170	£25,157	£40,157
Medway	£32,500	£45,164	£77,664	£2,330	£47,494	£79,994
Essex	£178,400	£265,159	£443,559	£13,307	£278,466	£456,866
Kent	£137,900	£305,659	£443,559	£13,307	£318,966	£456,866
Southend	£0	£24,894	£24,894	£747	£25,641	£25,641
Total	£363,800.00	£664,864	£1,028,664	£30,860	£695,724	£1,059,524

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

2. Recommendation

1. That the budget of £1,059,524 and the levies shown on the constituent authorities in table 3 for 2026-27 are **AGREED**.