

From: Assistant Chief IFCO

To: Kent and Essex Inshore Fisheries and Conservation Authority –
Technical Panel – 3 November 2023

Subject: Vessel Management – Strategic 10-year consideration

Classification: **Unrestricted**

As discussed by the Authority at the May 2023 Authority meeting, there is not currently sufficient money available in the renewals reserve to replace either of the catamaran vessels in the fleet. Tamesis would cost approximately £850,000 to replace and Nerissa approximately £2 million. As a result, it is necessary to undertake a strategic assessment of the KEIFCA fleet requirements to cover the next ten years.

The vessels in the current fleet

Vigilant and the proposed cabin RIB discussed in the previous item are relatively cost effective vessels to purchase and operate, when compared to the larger vessels in the fleet. RIBs provide effective inshore enforcement capability across the District as well as some offshore enforcement capability in suitable weather conditions. Vigilant came into service in May 2020 and is projected to have a working life of 8 to 10 years – from 2028-2030. If the proposed cabin RIB is procured then this vessel would have a projected working life of a similar period, up to approximately 2034 depending on when it came into service.

Tamesis and Nerissa together provide the survey capability for KEIFCA as well as the ability to haul, inspect, and where necessary, seize fishing gear. Tamesis is based in Brightlingsea and Nerissa in Ramsgate. The vessels can be swapped around and they provide latent capacity for survey work in the event of one of the vessels being out of service. In addition to this work, Nerissa also provides the main enforcement asset in Kent, with a daughter RIB, Nereus, being carried on a hydraulic lifting ramp in the stern of Nerissa between the two hulls. She also provides the only reliable offshore (outside 6nm) boarding capability in the KEIFCA fleet. This would be remedied to some extent with the provision of a new cabin RIB as discussed in the previous item.

Working life of the catamarans

Tamesis was built and came into service in 2011. In 2021/22 a comprehensive refit including engine rebuilds, new hydraulic systems and updated electronics package was undertaken. Structural work was also carried out in the hull to reinforce the deck. It is estimated that this work has extended the potential working life of the vessel for an additional ten years to 2032, at which point Tamesis will have been in service for 21 years.

Nerissa was built in 2015/16 and upon delivery to KEIFCA was then taken to a different boatyard for a number of build defects to be rectified. She came into service in 2017. She will be ten years old in 2027. A decision will then need to be taken on whether to refit the vessel in the same way as Tamesis or to replace the vessel. Nerissa is of a unique hull design and was custom built to the IFCA's operational requirements; it is this unique design which led to the majority of the build defects when she was first delivered. The potential working life of the hull is unknown due to its unique structure and prior to any refit work being undertaken, it would be prudent to have a full structural analysis and investigation carried out – this would likely come with some significant costs prior to any refit work being undertaken.

If a refit was undertaken and the working life of Nerissa could be extended in the same way as Tamesis, then Nerissa would be 20 years old in 2037. Whilst the length of service of any vessel is always uncertain, and can always be altered by significant events, officers would have less confidence in Nerissa having a 20-year working life than they would in Tamesis, due to the compromises inherent in the hull design and structure. As a result, it should be considered as to how Nerissa and Tamesis could be replaced from around 2032. Both catamarans will be old vessels at this point, Tamesis 20 years and Nerissa 15 years, with the uncertainty of maintenance and periods out of service that can come with this. In addition, Vigilant will be past the end of her working life and likely not in service and the proposed cabin RIB will be coming up to that point.

Vessel	In service date	Current age	Refit completed	Projected end of life
Tamesis	May 2011	12	Full refit March 2022	March 2032 (based on current refit)
Nerissa	Jan 2017	7	Projected refit March 2027	Possibly 2032 - 2037
Vigilant	May 2020	3	NA	May 2028
Proposed Cabin RIB	November 2024	0	NA	November 2034

Financial position

Members are reminded that the IFCA is not allowed by statute to borrow money. As set out at the start of the paper, Tamesis will cost in excess of £850,000 to replace today and Nerissa approximately £2 million, a combined £2.85 million. KEIFCA holds a renewals reserve which provides funds for capital expenditure including the vessel renewals as well as other assets such as company vehicles and IT infrastructure. The renewals reserve currently sits at £698,528. Table 1 sets out the position of the renewals reserve through to 2032 for three different scenarios; a) £50,000 per year being deposited, b) £70,000 per year being deposited, c) £100,000 per year being deposited. These three scenarios give a 2032 outturn of between £1,156,785 - £1,556,785, although this does not take into account any on sale value of the vessels being replaced. This means that in 2032, unless additional funding is sourced from elsewhere, and assuming no other assets have been required, there are not sufficient funds in the reserve to replace both vessels, nor is there sufficient funds to replace Nerissa alone. This does also not consider that in 2032 the enforcement RIB assets will be coming up to or past their working life and replacement assets will be required. In addition, significant funds would be required from this reserve to fund any refit of

Nerissa. Members should also note that in 2020/21 and 2021/22 no contribution was made to reserves from the budget; this year the contribution is £58,257 which was achieved by making a decision to not recruit a science officer in Kent.

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Renewals Reserves									
Opening Balance	698,528	756,785	806,785	856,785	906,785	956,785	1,006,785	1,056,785	1,106,785
Renewals Contribution	58,257	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Closing Balance	756,785	806,785	856,785	906,785	956,785	1,006,785	1,056,785	1,106,785	1,156,785

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Renewals Reserves									
Opening Balance	698,528	756,785	826,785	896,785	966,785	1,036,785	1,106,785	1,176,785	1,246,785
Renewals Contribution	58,257	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Closing Balance	756,785	826,785	896,785	966,785	1,036,785	1,106,785	1,176,785	1,246,785	1,316,785

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32
Renewals Reserves									
Opening Balance	698,528	756,785	856,785	956,785	1,056,785	1,156,785	1,256,785	1,356,785	1,456,785
Renewals Contribution	58,257	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
Closing Balance	756,785	856,785	956,785	1,056,785	1,156,785	1,256,785	1,356,785	1,456,785	1,556,785

Figure 1. Tables showing the balance of the renewals reserve each year for the next 8 years if £50,000, £70,000 and £100,000 respectively are deposited in the renewal reserve on an annual basis.

Conclusions

From the financial forecast provided, it can be seen that it will not be possible to replace the fleet, especially the workboats, in their entirety without additional funding from grants etc, once the working life of the current vessels is exceeded. Whilst external funding is likely to be available, this is always uncertain, especially with regards to when they will be available as well as the amounts available and with what conditions.

Keeping both existing catamarans operational for as long as possible would be extremely sensible so as to allow a large a renewals fund as possible to be built up over time and to allow the Authority to take advantage of any external funding which becomes available. But it must be borne in mind that any required refit for either vessel in the meantime considerably reduces the funds available for replacement.

However, at some point the existing vessels will exceed their working life and replacement assets will be required. What can be said for certain is that based upon the amounts of money which have been transferred into the renewals reserves in recent years, there will not be the funds to replace either vessel and that increased contributions need to be made on an annual basis to allow KEIFCA to take advantage of

external funding when it is available in order to replace the workboat assets of KEIFCA.

Members of the Technical Panel are requested to:

- Discuss and recommend to the Authority a strategic approach to renewals reserves contributions and fleet management with the aim of replacement of IFCA vessels as required.