



Agenda item B6

Success Criteria 2,3,5 and 6

By: Assistant Chief IFC Officer

To: Kent and Essex Inshore Fisheries and Conservation Authority – 21st January 2015

Subject: **SALE OF FPV KEN GREEN**

Classification Unrestricted

Summary: To consider the work carried out to proceed with the sale of the Ken Green.

The Ken Green was commissioned in 2000 and was initially projected to have a ten-year service with KEIFCA. This period has now elapsed and a new vessel is currently being built to replace the Ken Green, taking into consideration the new duties demanded of the vessel and the IFCA. The new vessel is currently on schedule to be delivered by June 2015.

As reported to the last Authority meeting, the sale of the Ken Green may take a period of time, therefore starting this process as soon as possible would be advantageous prior to the new vessel being delivered. This would avoid both vessels being in the Authority's possession at the same time with the increased costs that would bring.

If the Ken Green sale is completed prior to the new vessel arriving, then there are two temporary measures which could be implemented. Firstly, Tamesis could undertake more days at sea during this period although this will incur increased maintenance costs. The second temporary option would be to charter a rib from another organisation if there was a specific operational requirement. However charter costs are significantly more expensive per day than use of a KEIFCA vessel.

At the last Authority meeting, members approved the action for officers to progress the sale of the Ken Green. To this end, three valuations of the Ken Green were requested. Two of these came from shipbrokers and a third came from a maritime consultant who is not a broker. This third option was acquired to ensure an unbiased valuation. The three quotations were all similar to one another valuing the Ken Green between £250,000 and £270,000.

There were two options for the sale of the vessel. We could either sell the vessel ourselves or use the services of a broker. Whilst a broker will charge a commission for their service, it does mean that officers and staff of KEIFCA do not have to undertake all of the legal work and production of documentation related to the sale, or arrange for advertisement of the vessel. Using a broker is also preferable from an audit perspective and is the accepted best practice for selling a second hand vessel.

Century Marine Services are based in Hythe, Kent and were very enthusiastic about providing us with a valuation and securing our business. They do not currently have any similar vessels for sale on their website, however they have several thousand vessels currently on their books including pilot vessels, and security vessels similar to the type of vessel we have. Their commission for a successful sale of the Ken Green is £10,000, which is approximately 4% (4% commission appears to be an average commission charge).

Following a discussion with the Chairman and Vice-Chairman, a decision was made to employ the services of Century Marine Services to broker the vessel. The vessel is currently being advertised across a number of sources and through Century Marine Services contacts.

Recommendations

Members are asked to **CONSIDER** and **APPROVE** the actions taken.