



Agenda Item B2

By: **Chelsea Green**, Financial Advisor, KEIFCA

To: Kent and Essex Inshore Fisheries and Conservation Authority –  
29<sup>th</sup> January 2021

Subject: Draft Budget 2021-22

Classification: **Unrestricted**

**Summary:**

This report gives the draft budget for the Authority for 2021-22. The appendices include the draft Revenue Budget and Table of Levies.

**Recommendations:**

1. That the budget of £904,585 and the levies shown on the constituent authorities in table 1 for 2021-22 are **AGREED**.

**Draft Outline Budget 2021-22**

1. The Kent and Essex Inshore Fisheries and Conservation Authority (KEIFCA) currently levy on the constituent authorities the sum of £904,585 which is divided between Kent and Essex authorities on the basis contained in the statutory instrument which came into force on 1<sup>st</sup> October 2010 (SI 2010 no. 2190).
2. No cost of living pay increase has been allowed for in this budget however an allowance for career progression as set out in the new pay structure agreed at the November 2018 IFCA meeting has been included.
3. The refurbishment of Tamesis has further been postponed and anticipated to take place in 2022-23, as described within the ten-year plan previously provided to Members in September 2018, when it is anticipated that there will be a spend of £170,000 from reserves on an electronics and deck refit. This will be followed by an engine refit in the following year, allowing Tamesis to remain operational past its 10-year anticipated life span. As required by the financial regulations the opportunity to tender for the electronics and deck refit will be overseen by KCC procurement with Members being advised of the results of this process.

Although reserves are healthy, there is a need to keep the renewals contributions as high as possible to ensure that there are sufficient funds to allow the Authority to consider the option of replacing vessels in due course.

4. Since being established in 2011, KEIFCA has striven to maintain best value for money in all its operations, always being mindful of the spending of public funds. This combined with the period of austerity introduced by the Government in 2013, has led to only two levy increases since 2011, the first in 2015 and second in 2020.
5. 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 2020-21 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. The IFCA is fortunate in that it is able to generate some income from the issuing of permits and licences, however not all the income that is received can be guaranteed and therefore it is not prudent to include some of this income as a guaranteed income stream.
6. The detailed revenue budget for 2021-2022 is set out at Appendix 1.
7. The Authority feel it would be inappropriate to ask for the increases in contributions which were originally put forward to Members at the January 2020 meeting which were agreed in principle. Members will recall that these were subject to further review by the Authority and to also allow engagement with the constituent Authorities. Local Authorities are stretching their budgets to the limits and given the current financial year has been tough on everybody, the Authority propose that there is no increase in the levy for 2021-22. Members will note, however, that this budget for the first time does not include a contribution to renewals. In previous years income from projects such as SUMARiS and from the hiring of patrol vessels for survey work have allowed the IFCA to cover increasing costs without the need to request an increase in the levy. This year we are unable to guarantee with any certainty additional income streams other than income from whelk permits and cockle licences. In 2020 officers set out the need to increase the levy in order that expenditure could be met going forward. It is requested therefore that Local Authority Members bear in mind the need for an increase in the levy for 2022/23 when in discussion with their Local Authorities
8. 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 on lines 19 to 21 of 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 2021-22. Members should be aware that there has been no confirmation that it will continue indefinitely and is subject to a spending review.

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

<b>Local Authority</b>	<b>Levy (incl Specific Grant) 2020-21 £</b>	<b>Proposed Levy (incl Specific Grant) 2021-22 £</b>
Kent	390,057	390,057
Medway	68,296	68,296
Essex	390,057	390,057
Thurrock	34,284	34,284
Southend-on-Sea	21,891	21,891
<b>Total</b>	<b>904,585</b>	<b>904,585</b>

Table 1. Proposed levy (including Specific Grant) per constituent Local Authority.

## **2. Recommendation**

1. That the budget of £904,585 and the levies shown on the constituent authorities in table 1 for 2021-22 are **AGREED**.

## **3. Contact Details**

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