



**Papers for a meeting of the
FINANCE & PERSONNEL SUB-COMMITTEE**

to be held at

**Eastern IFCA Offices,
6 North Lynn Business Village, Bergen Way, King's Lynn, PE30 2JG**

**Wednesday
11th October 2017
at
1030 hours**

Vision

The Eastern Inshore Fisheries and Conservation Authority will lead, champion and manage a sustainable marine environment and inshore fisheries, by successfully securing the right balance between social, environmental and economic benefits to ensure healthy seas, sustainable fisheries and a viable industry



Meeting: **Finance and Personnel Sub-Committee**

Date: 11 October 2017

Time: 10.00 hours

Venue: Eastern IFCA Office, 6 North Lynn Business Village, Bergen Way,
King's Lynn, Norfolk, PE30 2JG

Agenda

- 1 Welcome - *Chair*
- 2 Apologies for absence - *Chair*
- 3 Declaration of Members' interests - *Chair*

Action Items

- 4 Minutes of the Finance & Personnel Sub-Committee meeting on 21 June 2017 - *Chair*
- 5 Matters Arising - *Clerk*
- 6 To receive and recommend to the Authority, Preliminary provisional estimates of expenditure for the period 1 April 2018 to 31 March 2019. - *Hd Fin*
- 7 To receive and note the preliminary provisional forecasts of estimates of expenditure for the period 1 April 2018 to 31st March 2023. - *Hd Fin*
- 8 HR function – CEO / *Hd Finance & HR*
- 9 Administrative support role – *Hd Finance & HR*
- 10 *To resolve that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for items 11 and 13 on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 1 of Schedule 12A of the Act*
- 11 Confirmation of appointments – *Hd Finance & HR*

Information Items

- 12 HR Update – *Hd Finance & HR*
- 13 Disciplinary update – *Hd Finance & HR*
- 14 Any other urgent business
To consider any other items which the Chair is of the opinion are matters of urgency by reason of special circumstances which must be specified

Julian Gregory

Chief Executive Officer

Date: 26 September 2017

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Finance & Personnel Sub-Committee

A meeting of the Finance & Personnel Sub-Committee took place at the EIFCA offices, 6 North Lynn Business Village, King's Lynn, on 21st June 2017 at 1030 hours.

Members Present:

Cllr D Collis	Norfolk County Council
Cllr P Coupland	Lincolnshire County Council
Dr S Bolt	MMO Appointee
Mr S Worrall	MMO Appointee

Eastern IFCA Officers Present:

A Bakewell – Head Finance & HR
J Gregory – CEO / Clerk

F&P17/13 Welcome

The Clerk welcomed members to the meeting.

F&P17/14 Election of Chair

In view of some members being absent the Clerk advised those present they had the option of electing a Chair for the sub-committee or postponing the election until a meeting when there were more members present.

Cllr Collis felt there may never be a better level of attendance so the election may as well take place.

It was Resolved that Councillor Collis be elected to role of Chairperson of the Finance & Personnel Sub-Committee.

Proposed: Cllr Coupland

Seconded: Mr Worrall

All Aged

F&P17/15 Election of Vice-Chair

Nominations for the role of Vice-Chair were requested.

It was Resolved that Councillor Coupland be elected to the role of Vice-Chair of the Finance & Personnel Sub-Committee.

Proposed: Dr Bolt

Seconded: Mr Worrall

All Agreed

F&P17/17 Apologies for absence

Apologies for absence were received from Cllrs Di Gallidoro (SCC), Goldson (SCC), and Grant (NCC). *Cllr Grant had advised he was no longer appointed to EIFCA but no notice of this had been received from Norfolk County Council.*

F&P17/18 **Declarations of Members Interest.**
There were no Declarations of Interest.

F&P17/19 **Minutes of the Finance and Personnel Sub-committee meeting held on 25th January 2017**

It was agreed these were a true reflection of the meeting.

F&P17/20 **Matters Arising:**

F&P17/09 REVIEW OF ROLES, RESPONSIBILITIES AND STRUCTURE: The CEO advised members that in order to make the organisation more cohesive the structure had been slightly amended. The Research and Environment Teams had been combined to form the Marine Science Team, who would also be capable of going to sea, which would provide more resilience to getting vessels to sea. The decision had also been made not to replace the role of Head of HR when the incumbent resigned, this function had been taken over by the Head of Finance.

In addition to these changes the role of Deputy had been changed to Head of Operations.

Terms and Conditions for staff in the Marine Science team were still to be harmonised.

Dr Bolt requested that when these changes had taken place the facility would still in place for AIFCA to call on the HR services of EIFCA as was previously agreed, on a free of charge basis.

Whilst members acknowledged to date this was not an onerous task it should be borne in mind situations can change. The CEO advised that in the event of charges being incurred if NpLaw were to become involved these costs would be passed on to AIFCA

It was Resolved that AIFCA could continue to gain HR advice from EIFCA, as and when required.

Proposed: Mr Worrall

Seconded: Cllr Coupland

All Agreed

Referring to the Authority's assets the CEO advised there was a pending purchase of a new RIB which would hopefully attract about 70% grant funding. In the meantime, a temporary vessel had been hired, which had subsequently been purchased as this had proved more economical than the hiring option and could be sold once the new RIB arrived.

Members were advised that there would also soon be a need to replace the large Research Vessel. The CEO anticipated this would have joint capability of Research and Enforcement, the cost of which would hopefully be covered by the funds currently available in the Vessel Replacement Fund. Members were advised that to date EIFCA had a good working relationship with the Funding Authorities who were in

agreement that the Authority should start to increase the levy to build reserves to avoid being asked for large chunks of money to replace vessels.

Members discussed the five year plan and how the purchase of such a vessel fitted into this. The CEO advised there were ongoing discussions with regard to the future model of fisheries management agencies and the possibility of requiring a vessel with the capability to go out to 12 miles offshore. Build times were discussed along with the tender process and the need to ensure the required spec was in place at the outset of the process.

Life cycle of the proposed new vessel was anticipated to be 15 years with an estimated cost of between £1m - £1.5m.

The CEO advised that prior to any action being taken in the process it would first be necessary to see the approval of the Authority to make the purchase. At this stage the Officers would carry out the work with the Authority's approval at appropriate stages of the process. He advised it would be a robust process as this would be a major capital purchase.

Cllr Collis advised tasking going forward could cause a problem, he was concerned the cost could go up enormously if alternations were made during the build, however the CEO advised him the process had been completed before, this was a well-trodden path, with checks and balances along the way.

F&P17/21 Internal Audit for 2016/17

The Chairman noted there had been some minor points raised by the Internal Audit and queried whether they had been addressed. The Head of Finance advised that since the change to regulations in 2015 EIFCA still made a conscious decision to go above and beyond the level of scrutiny that was required of them to ensure full probity was carried out. He advised that it was inevitable the process would throw up minor anomalies, all of which would be reacted to.

Members Agreed to note the report.

F&P17/22 To Approve the Statement of Accounts for the year ended 31 March 2017 and to authorise transfers to and from the Authority's Reserve Funds, prior to external audit and subsequent submission to the full Authority.

The Head of Finance advised the Statement of Accounts was provided in the required standard layout.

Members were asked to note the 2016/2017 out-turn showed a significant difference in salaries due to the secondment of the CEO and the knock-on effect of posts not being filled for the whole year. It was noted this level of saving was not anticipated in future years as the staffing levels would be back to full complement by the end of August.

A further caveat to this was the advice received for the LGA pay Award that a request for a 5% increase had been received from the Union. Whilst the Head of Finance did not believe this would be agreed to, he

felt it should be noted that the current level of pay increases was not sustainable at 1% and there would be pressure to increase this in coming years.

Savings had also been made due to having negotiated a peppercorn rental agreement for the new moorings which had become effective much sooner than anticipated.

The Chair advised that he had not seen the mooring facilities or the vessels and would like the opportunity to become familiar with them in order to have a better understanding during discussions. The CEO advised this may be possible, he was already in discussion with the Chairman of the Authority with regard to an induction day for members.

The Head of Finance summarised the accounts, stating that the overall message was that there had been a saving against budget.

There followed discussion regarding the reserves, with members being reminded that three of the reserves were not Authority funds but held on behalf of others. Dr Bolt advised the final destination of funds accrued from issuing FAPS remained unknown, he hoped it could be used to fund local fishing/environment projects but as none of the Acts stated where the final destination of this money should be, at this time it was not advisable to consider options for its use, he would provide members with an update when there was more to report back.

The Chair questioned whether there was any money in the reserves which could be made available for the purchase of the new vessel if required. The Head of Finance briefly went through each Reserve and its intended use, whilst some of the funds may be available it should be borne in mind that funds such as the Legal & Enforcement reserve were set at a realistic level if a challenge was to be made against the Authority. The Chair advised that he did not like to see large sums of money sitting there unless they had a specific use. The CEO explained that it was important to be aware EIFCA were a standalone organisation with a need to absorb anything coming their way, the Finance Directors were fully aware of the reserves and understood the reasoning.

Members Resolved to:

- **Approve the Annual Governance Statement**
- **Approve the Statement of Accounts prior to submission to the full authority Meeting in September.**
- **Authorise the Chairman and Chief Executive to sign the Annual Return before submission to the auditors for review**
- **Authorise in accordance with the Authority's finance Regulation 3.4, transfers of funds to and from 'ear-marked' reserves as outlined in the papers.**

Proposed: Mr Worrall

Seconded: Dr Bolt
All Agreed

F&P17/23 *Members Resolved that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for item 11, on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 1 of Schedule 12A of the Act.*

Proposed: Mr Worrall
Seconded: Dr Bolt
All Agreed

Cllr Collis requested that in future a copy of the Local Government Act be available for reference in the event of a challenge. He also requested this be carried through to full Authority meetings.

F&P17/24 **Recruitment of Head of Operations**

Summary in accordance with Section 100(C)(2) of the Local Government Act 1972

Members were reminded that at the previous F&P meeting members had delegated powers to the Chair of the Authority, Chair of the F&P and the CEO to progress the recruitment of Head of operations.

The services of an agency had been secured to advertise the role, sift through applicants and compile a shortlist for interview. It was expected there would be a shortlist of 5 candidates. Initial interviews would consist of the interview and psychometric testing with the option to further the process if there were candidates considered to be of equal capabilities. The Chairman questioned the timescale, which the CEO advised would be as soon as those on the interview panel could agree to suitable interview dates. The Chairman requested this be as soon as possible, as there was no merit in delaying the process.

Members Agreed to note the report

F&P17/25 **HR Update**

It was noted that current HR Activity included working on employee engagement. Having undertaken a bi-annual external assessment it was noted that there had been a slight decline in the scores, whilst the consultants felt this was quite normal the Exec team decided to check for underlying issues.

Dr Bolt questioned whether IFCAs heading into uncertain times was leading to insecurity amongst the staff, however, the CEO felt the concerns were more at a Chief officer level than at Officer level. He also advised that he made a conscious effort to be inclusive with the staff so that everyone was aware of what was being debated.

The CEO felt the staff were currently quite motivated, he believed the new Officers in the Marine Science and Enforcement Teams were very enthusiastic which was buoying up the rest of the staff.

Mr Worrall questioned whether there had been any thought given to a succession plan, the CEO advised that the current recruitment may deliver someone with succession capability but in the first instance it was necessary to get someone with the right skill set, in leadership and management. The Head of Finance advised that sometimes the Authority are hamstrung by the salary structure, and whilst a career orientated dynamic person may be hoped for they could be put off by the salary.

The Chair hoped the successful candidate would be prepared to give 4-5 years constructive input to the Authority.

Members Agreed to note the report.

There were no Matters of Urgency, the meeting closed at 1201 hours.

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Finance & Personnel Sub-Committee

Action Item 6

11th October 2017

Preliminary Estimates of Expenditure for the period 1st April 2018 to 31st March 2019

Report by: Andrew Bakewell – Head of Finance and HR

Purpose of report

To set out the background information and calculations used to determine the Preliminary Estimates for 2018/2019. It is stressed that these are preliminary estimates based upon five months expenditure in 2017/2018. These estimates will be revised and presented again as Provisional Estimates of Expenditure to the FPSC at their meeting in January 2018 for agreement and recommendation to the full Authority at their Statutory meeting at the end of January 2018.

Preliminary estimates have been prepared in order to provide more time for members and their relevant county council officers to consider the future financial requirements of the authority, bearing in mind the need to plan for replacement of Authority assets and the continuing pressure on County Councils to make savings.

Recommendations

Members are asked to consider, note and agree the Preliminary Estimates of Expenditure for 2018/2019.

Background

The Preliminary Estimates of Expenditure for the financial year 2018/2019 are summarised under the main budget headings shown on Table 1. The details of expenditure are shown in Tables 2 & 3, which are attached.

Table 1 also shows the budget approved for the current financial year (2017/2018) and projected outcome for this year. The format of Table 1 shows the Total Estimates of Expenditure less Income including 'New Burden' costs. The New Burden Funding is then deducted from the Total Expenditure less Income to establish the residual cost which after deduction of the contribution from County Councils shows the surplus available for asset replacements or the reserves earmarked for that purpose.

The projected expenditure less income for 2017/2018 shows a saving of £154,182 over the original budget. The total saving arises from expenditure £114,470 with excess income including levies of £39,712.

The calculation of the Preliminary Estimate for 2018/2019 (Table 1) .

Notes on Expenditure

Members may find the notes below helpful in relation to tables 1, 2 & 3

Variations from 2017/2018 Budget to the 2017/2018 Projection and 2018/2019 Preliminary Estimate are summarised under the main budget headings in the following table:

	2017/2018 Budget £	2017/2018 Projection £	2018/2019 Preliminary Estimate £
Salaries & Wages	995,403	104,215	(42,543)
General Expenditure	201,405	(20,395)	(19,745)
Departmental Op Costs	29,500	400	(4,500)
Vessels	155,750	29,250	(7,750)
Vehicles	24,500	1,000	(500)
TOTAL	1,406,558	114,470	(75,038)

Salaries & Wages

2017/2018 Projection	2018/2019 Preliminary Estimate
a) New rates introduced for calculation of Employer pension contribution:- 15.2% of pensionable pay plus £45,000 for the year (deficit recovery) b) Employers NI calculated at 17/18 rates (13.8% of earnings above LEL). c) Savings from vacancy management. 1 MSO post (3 months), 1 MSO post (6 months) Head of Operations (9/10 months)	a) Salaries have been calculated for a full complement based on current agreed structure. b) Salary inflation 2%. c) Salary increments are included where appropriate. d) Employer's NI Contributions are calculated at 2017/2018 rates e) Employer's pension contributions are calculated as 15.2% of pensionable pay plus £50,000 deficit recovery for the year.

General Expenditure

2017/2018 Projection	2018/2019 Preliminary Estimate
Cost increases compared to 2017/2018 Budget are mainly due to:- pre-paid insurance £4.5k, IT equipment £8.0, Uniform replacement £8.0k	Cost increases compared to 2017/2018 Budget are mainly due to:- Inflation 2% and office redecoration (Lease anniversary Dec. 18)

Departmental Operational Costs

2017/2018 Projection	2018/2019 Preliminary Estimate
Small increase on 2017/18 budget due to:- a) Increased spend on enforcement £4.1k offset by Marine Science and Communication and Development savings of £4.5k.	Increases due to:- Inflation 2%, increased activity

Vessels

The 2017/2018 budget provided for the operating costs of Three Counties, John Allen and Sebastian Terelinck all year.

<u>2017/2018 Projection</u>	<u>2018/2019 Preliminary Estimate</u>
Saving against budget of £29.3k arising as follows: Moorings £3k (no costs at new S/B moorings) Three Counties £9k (refit and mtce less than anticipated) JA & ST £8.8k (less sea time than budgeted) Other £8.5k (Pisces replacement not yet acquired)	Cost increases arising due to following :- TC age (refit cost pre-sale), Pisces replacement running all year.

Vehicles

<u>2017/2018 Projection</u>	<u>2018/2019 Preliminary Estimate</u>
Cheaper fuel and maintenance savings on new vehicles.	Small increase represents additional vehicle for Head of Ops.

Inflation Contingency

An inflation contingency of 2% on salaries and 2% on prices where applicable is included in the Preliminary Estimate.

Income

<u>2017/2018 Projection</u>	<u>2018/2019 Preliminary Estimate</u>
The decrease in income compared to 2017/2018 budget is due to:- Interest rates Less ad hoc fee earning activities	Income for 2018/2019 estimated to increase as a result of further increases to sampling charges and WFO licence fees.

Reserves

The amounts held in EIFCA's ear-marked reserves estimated at 30.09.2017 are set out below:

	£
ICT Fund	10,000
Legal and Enforcement Fund	93,750
Office Improvement Fund	10,000
Operational Fund	150,000
Research Fund	89,921
DEFRA Grant	18,292
Vehicle Renewals Fund	60,000
Vessel Replacement Fund	<u>1,447,664</u>
	<u>1,879,627</u>

Levies

After 5 years of standstill levies, and in line with discussions at the meeting in October 2016, levies have been increased by 2% for 2018/19. Although reserves are healthy the cost of asset replacement in the short to medium term will expend the majority leaving no buffer for future asset replacements. The Levies on the constituent County Councils including the 2% increase for 2018/2019 follow:

	Norfolk County Council £	Suffolk County Council £	Lincolnshire County Council £
Contribution from County Council Funds	394,723	296,298	334,232
New Burden Funding Allocation	151,999	114,420	127,726
Total Levy	<u>546,722</u>	<u>410,718</u>	<u>461,958</u>
	38.5%	28.9%	32.6%
<u>For Information</u>			
<u>2017/2018 Total Levy</u>	535,815	402,531	452,724

(information only)

Feedback from Meeting with Finance Directors

The annual meeting with the Finance Directors was held on 10th October a verbal update will be given at this meeting.

Table 1

Preliminary Estimates of Expenditure 2018/2019

	2017/2018 Budget	2017/2018 Act/Proj	2018/2019 Preliminary Estimate
	£	£	£
Salaries & Wages	995,403	891,188	1,037,946
General Expenditure	201,405	221,800	211,150
<u>Departmental Operational Costs</u>			
Marine Science	8,000	6,000	7,000
Marine Protection	17,500	21,600	25,000
Communication and Development	4,000	1,500	2,000
<u>Vessels</u>			
Moorings & Harbour Dues	5,500	2,500	5,000
Research Vessel - Three Counties	94,250	85,250	95,500
Enforcement Vessels - John Allen/ANO RIB(S)	45,500	36,750	55,500
Pisces III/Pacific 22	10,500	2,000	7,500
Vessel Hire			
Vehicles	24,500	23,500	25,000
TOTAL EXPENDITURE	£ 1,406,558	£ 1,294,088	£ 1,481,596
INCOME	60,000	55,200	70,000
EXPENDITURE LESS INCOME	£ 1,346,558	£ 1,238,888	£ 1,411,596
<i>LESS New Burden Funding</i>	394,145	394,145	394,145
Net Expenditure	952,413	844,743	1,017,451
Levies	996,925	996,925	1,016,864
Surplus/(Shortfall)	£ 44,512	£ 152,182	£ (587)
Percentage reduction from Base Levy(£1,329,236)	-25.0%	-30.5%	-23.5%
Assets purchased		190,753	30,000

Preliminary Estimates of Expenditure 2018/2019**Table 2**

Details of Expenditure - Salaries & Wages and General Expenditure

	2017/2018 Budget	2017/2018 Projection	2018/2019 Preliminary Estimate
<u>SALARIES</u>			
Staff Remuneration	766,665	680,000	787,039
Superannuation	155,017	143,188	169,163
National Insurance	73,821	68,000	81,744
TOTAL	995,403	891,188	1,037,946
<u>GENERAL EXPENDITURE</u>			
<i>Accommodation</i>			
<i>(Rent, Rates, Insurances, Utilities)</i>			
Rent	34,665	34,665	35,000
Business Rates	16,000	14,540	16,000
Water Rates	620	1,500	1,750
Service Charges	600	1,500	1,750
Insurance - Buildings	740	500	800
Insurance Office & General	7,000	12,545	7,500
Electricity	6,500	5,400	5,750
Cleaning	2,000	4,000	4,250
Maintenance & Redecoration	3,000	2,350	5,500
TOTAL	71,125	77,000	78,300
<i>General Establishment</i>			
Advertisements & Subscriptions	15,500	19,000	19,100
Legal & Professional Fees	20,000	9,225	12,000
Telephones (Office & Mobile)	6,000	7,000	8,000
Postage & Stationery	5,750	5,000	6,000
Equipment Hire & Renewals	6,000	14,000	5,000
IT Support (including Citrix)	33,180	32,000	32,500
Uniforms & Protective Clothing	4,000	12,500	5,000
Medical Fees	1,750	900	1,500
Recruitment	1,200	6,425	2,000
Sundry Expenditure inc. Meeting Costs	4,400	3,250	3,500
TOTAL	97,780	109,300	94,600
<i>Officers' Travel & Subsistence</i>			
General Travel - Fares, Taxis etc	4,250	3,000	3,000
Subsistence Payments	2,500	1,800	2,250
Overnight Subsistence	3,000	1,200	1,500
Hotel - Accommodation & Meals	6,500	10,000	8,000
TOTAL	16,250	16,000	14,750
<i>Members' Travel</i>			
Training	4,250	2,000	3,500
	12,000	17,500	20,000
TOTAL GENERAL EXPENDITURE	201,405	221,800	211,150
<u>Departmental Operational Costs</u>			
Research and Environment	8,000	6,000	6,250
Marine Protection	17,500	21,600	22,000
Communication and Development	4,000	1,500	1,600

Preliminary Estimates of Expenditure 2018/2019**Table 3**

Details of Expenditure - Vessels & Vehicles

	2017/18 Budget	2017/18 Projection	2018/2019 Provisional Estimate
<u>MOORINGS & HARBOUR DUES</u>			
Rent - Sutton Bridge Moorings	2,500		
Maintenance	1,000	500	600
Berthing & Harbour Dues	2,000	2,000	2,800
TOTAL	5,500	2,500	3,400
<u>RESEARCH VESSEL</u>			
<u>Three Counties</u>			
Maintenance & Repairs	30,000	25,000	25,000
Refit	40,000	30,000	32,000
Insurance & Certification	9,250	17,000	11,500
Fuel	15,000	13,250	16,500
TOTAL	94,250	85,250	85,000
<u>ENFORCEMENT VESSELS</u>			
<u>John Allen/Sebastian Terelinck</u>			
Maintenance & Repairs	25,000	26,000	24,000
Upgrade			
Insurance & Certification	10,500	750	1,500
Fuel	10,000	10,000	17,000
TOTAL	45,500	36,750	42,500
<u>PiscesIII/replacement</u>			
Maintenance & Repairs	6,000	500	1,500
Temporary hire			
Insurance & Certification	1,500		1,500
Fuel	3,000	1,500	4,500
TOTAL	10,500	2,000	7,500
<u>VEHICLES</u>			
Insurance	8,000	8,000	8,500
Fuel & Sundries	10,000	8,600	10,000
Servicing	5,000	3,500	5,000
Vehicle Tracking	1,500	1,400	1,500
TOTAL	24,500	21,500	25,000

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Finance & Personnel Sub-Committee

Action Item 7

11th October 2017

Preliminary Forecast of Expenditure for the period 1st April 2019 to 31st March 2023

Report by: Andrew Bakewell – Head of Finance

Purpose of report

To set out the background information and calculations used to determine the Forecast for the four years up to 2023. It is stressed that these are preliminary estimates based on past actuals with allowances for known variations and inflation where applicable. These forecast figures have been shared with the Finance Directors from the three County Councils.

Recommendations

Members are asked to **consider, note and agree** the Forecast of Income and Expenditure for the five years to 31st March 2023.

Background

The Forecast is set out in the table below under the broad categories.

Table also shows the preliminary estimate for 2018/19 as a basis for comparison. The format of Table 1 shows the Total Estimates of Expenditure less Income including 'New Burden' until 2020. The following have been assumed:-

- Salary costs based on currently agreed structure with a full complement of staff.
- Salary inflation at 2% per annum to include annual LGA increase and increments.
- The modest annual savings up to 2020 will be utilised to support asset replacement along with use of reserves.
- Shortfalls of £400k+ arise from 2020 assuming "New Burden" is not replaced.
- A table showing use of reserves over the coming years is also included for information. This shows worst case, effect of continued new burden/equivalent and impact of annual capital contribution from County Councils.
- The table is presented to show **worst case** scenario as shortfalls as indicated could not be sustained, it then assumes that "**New Burden" or equivalent alternative funding is made available** this gives then an **adjusted position**.
- Three Counties replaced 2019/20, John Allen replaced 2021/22.
- A further line shows capital contributions to be levied including annual inflation of 3%.

Forecast to March 2023

	2018/19	2019/20	2020/21	2021/22	2022/23
Income					
Levies	1,016,864	1,037,201	1,057,945	1,079,104	1,100,686
"New Burden"	394,145	394,145			
Other	70,000	95,000	100,000	105,000	110,000
Total Income	1,481,009	1,526,346	1,157,945	1,184,104	1,210,686
Expenditure					
Staff cost	1,037,946	1,058,705	1,079,879	1,112,275	1,145,644
Administration	221,150	211,150	205,000	209,100	211,000
Operations	34,000	36,000	36,500	37,000	37,500
Vessels	163,500	165,000	145,000	146,000	146,500
Vehicles	25,000	25,750	26,521	27,315	28,136
Total	1,481,596	1,496,605	1,492,900	1,531,690	1,568,780
Surplus/Shortfall	(587)	29,741	(337,955)	(347,586)	(358,094)
New burden alt.			394,145	394,145	394,145
Adj. Surp/s/fall			56,190	46,559	40,532

Reserves

The amounts held in EIFCA's ear-marked reserves estimated at 30.09.2017 are set out below:

	£
ICT Fund	10,000
Legal and Enforcement Fund	93,750
Office Improvement Fund	10,000
Operational Fund	150,000
Research Fund	89,921
DEFRA Grant	18,292
Vehicle Renewals Fund	60,000
Vessel Replacement Fund	1,447,664
	<u>1,879,627</u>

Movement in reserves

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Opening	1,879,627	1,843,056	1,812,469	574,210	754,900	392,594
Revenue	154,182	(587)	29,741	(337,955)	(347,586)	(358,094)
Utilised	(190,753)	(30,000)	(1,418,000)	(30,000)	(568,000)	(30,000)
Balance	1,843,056	1,812,469	424,210	206,255	(160,686)	4,500
New burden?				394,145	394,145	394,145
Adjusted				600,400	233,459	398,645
Cap. Cont. CCs			150,000	154,500	159,135	163,909
Final	1,843,056	1,812,469	574,210	754,900	392,594	562,554

Table 1

Preliminary Estimates of Expenditure 2018/2019

	2017/2018 Budget	2017/2018 Act/Proj	2018/2019 Preliminary Estimate
	£	£	£
Salaries & Wages	995,403	891,188	1,037,946
General Expenditure	201,405	221,800	221,150
<u>Departmental Operational Costs</u>			
Research and Environment	8,000	6,000	7,000
Marine Protection	17,500	21,600	25,000
Communication and Development	4,000	1,500	2,000
<u>Vessels</u>			
Moorings & Harbour Dues	5,500	2,500	5,000
Research Vessel - Three Counties	94,250	85,250	95,500
Enforcement Vessels - John Allen/ANO RIB(S)	45,500	36,750	55,500
Pisces III/Pacific 22	10,500	2,000	7,500
Vessel Hire			
Vehicles	24,500	23,500	25,000
TOTAL EXPENDITURE	£ 1,406,558	£ 1,292,088	£ 1,481,596
INCOME	60,000	55,200	70,000
EXPENDITURE LESS INCOME	£ 1,346,558	£ 1,236,888	£ 1,411,596
<i>LESS New Burden Funding</i>	394,145	394,145	394,145
Net Expenditure	952,413	842,743	1,017,451
County Council Levy	996,925	996,925	1,016,864
Surplus/(Shortfall)	£ 44,512	£ 154,182	£ (587)
Percentage reduction from Base Levy (£1,329,236)	-25.0%	-25.0%	-23.5%
Assets purchased		190,753	50,000

Preliminary Estimates of Expenditure 2018/2019**Table 2**

Details of Expenditure - Salaries & Wages and General Expenditure

	2017/2018 Budget	2017/2018 Projection	2018/2019 Preliminary Estimate
<u>SALARIES</u>			
Staff Remuneration	766,665	680,000	787,039
Superannuation	155,017	143,188	169,163
National Insurance	73,821	68,000	81,744
TOTAL	995,403	891,188	1,037,946
<u>GENERAL EXPENDITURE</u>			
<i>Accommodation</i>			
<i>(Rent, Rates, Insurances, Utilities)</i>			
Rent	34,665	34,665	35,000
Business Rates	16,000	14,540	16,000
Water Rates	620	1,500	1,750
Service Charges	600	1,500	1,750
Insurance - Buildings	740	500	800
Insurance Office & General	7,000	12,545	7,500
Electricity	6,500	5,400	5,750
Cleaning	2,000	4,000	4,250
Maintenance & Redecoration	3,000	2,350	15,500
TOTAL	71,125	77,000	88,300
<i>General Establishment</i>			
Advertisements & Subscriptions	15,500	19,000	19,100
Legal & Professional Fees	20,000	9,225	12,000
Telephones (Office & Mobile)	6,000	7,000	8,000
Postage & Stationery	5,750	5,000	6,000
Equipment Hire & Renewals	6,000	14,000	5,000
IT Support (including Citrix)	33,180	32,000	32,500
Uniforms & Protective Clothing	4,000	12,500	5,000
Medical Fees	1,750	900	1,500
Recruitment	1,200	6,425	2,000
Sundry Expenditure inc. Meeting Costs	4,400	3,250	3,500
TOTAL	97,780	109,300	94,600
<i>Officers' Travel & Subsistence</i>			
General Travel - Fares, Taxis etc	4,250	3,000	3,000
Subsistence Payments	2,500	1,800	2,250
Overnight Subsistence	3,000	1,200	1,500
Hotel - Accommodation & Meals	6,500	10,000	8,000
TOTAL	16,250	16,000	14,750
<i>Members' Travel</i>			
Training	4,250	2,000	3,500
	12,000	17,500	20,000
TOTAL GENERAL EXPENDITURE	201,405	221,800	221,150
<u>Departmental Operational Costs</u>			
Research and Environment	8,000	6,000	7,000
Marine Protection	17,500	21,600	25,000
Communication and Development	4,000	1,500	2,000

Preliminary Estimates of Expenditure 2018/2019**Table 3**

Details of Expenditure - Vessels & Vehicles

	2017/18 Budget	2017/18 Projection	2018/2019 Provisional Estimate
<u>MOORINGS & HARBOUR DUES</u>			
Rent - Sutton Bridge Moorings	2,500		
Maintenance	1,000	500	1,600
Berthing & Harbour Dues	2,000	2,000	3,400
TOTAL	5,500	2,500	5,000
<u>RESEARCH VESSEL</u>			
<u>Three Counties</u>			
Maintenance & Repairs	30,000	25,000	27,500
Refit	40,000	30,000	40,000
Insurance & Certification	9,250	17,000	11,500
Fuel	15,000	13,250	16,500
TOTAL	94,250	85,250	95,500
<u>ENFORCEMENT VESSELS</u>			
<u>John Allen/Sebastian Terelinck</u>			
Maintenance & Repairs	25,000	26,000	32,000
Upgrade			
Insurance & Certification	10,500	750	6,500
Fuel	10,000	10,000	17,000
TOTAL	45,500	36,750	55,500
<u>PiscesIII/replacement</u>			
Maintenance & Repairs	6,000	500	1,500
Temporary hire			
Insurance & Certification	1,500		1,500
Fuel	3,000	1,500	4,500
TOTAL	10,500	2,000	7,500
<u>VEHICLES</u>			
Insurance	8,000	8,000	8,500
Fuel & Sundries	10,000	8,600	10,000
Servicing	5,000	3,500	5,000
Vehicle Tracking	1,500	1,400	1,500
TOTAL	24,500	21,500	25,000

Vision

The Eastern Inshore Fisheries and Conservation Authority will lead, champion and manage a sustainable marine environment and inshore fisheries, by successfully securing the right balance between social, environmental and economic benefits to ensure healthy seas, sustainable fisheries and a viable industry



Action Item 8

Finance & personnel Sub-Committee Meeting

11 October 2017

HR Function

Report by: Julian Gregory - *CEO*

Purpose of report

To propose a permanent change to the role of the Head of Finance to take responsibility for the HR function.

Recommendations

It is recommended that members:

- **Note** the content of the report
- **Agree** that the Head of HR post will be deleted from the establishment
- **Agree** that the Head of Finance will take responsibility for the HR function and the post is re-designated as the Head of Finance & HR.
- **Agree** that the role of the Assistant Finance and Administration Officer will be amended to incorporate HR administration and will be re-designated as the Assistant Finance and HR Administration Officer
- **Agree** that the Job Description for the new roles are updated and submitted for pay evaluation by Norfolk CC if appropriate.

Background

Eastern IFCA and its predecessor organisation, Eastern Sea Fisheries Joint Committee, has always had two Executive Officer roles for the Finance and HR functions. Both roles have, over recent years, been part time at 0.6 FTE (three days per week) although the Head of Finance has been working four days per week since the secondment of the previous CEO to the MMO. During the transition period when IFCAs were introduced in April 2011 and subsequently, the Head of HR role was fully occupied in dealing with the associated HR matters in terms of reviewing roles, the pay structure and developing HR policies for the organisation.

In February 2017 the Head of HR left the organisation, having tendered her resignation in December 2016. At this point she advised the CEO that in her view the organisation no longer required a Head of HR and that having completed the workstreams relating to the transition and the development of new policies she felt that there had been insufficient work to keep her fully occupied.

At the meeting of the Finance and Personnel sub-committee on 25th January 2017 it was agreed that the Head of HR post would not be replaced and that officers would explore options for the provision of HR support.

Report

Following the departure of the Head of HR the Head of Finance has taken responsibility for the HR portfolio supported by the Assistant Finance and Administration Officer.

During this period there have been significant HR related workstreams including external recruitment campaigns for Marine Science Officers and Head of Operations, internal recruitment for the Project Officer and management of a disciplinary process up to and including hearing and subsequent appeal hearing. All have been overseen by the Head of Finance who has managed the processes with the administrative elements being dealt with by the Assistant Finance and Administration Officer.

Where required specialist HR legal advice has been obtained from NPLaw and an HR recruitment company were utilised in the process to recruit a head of Operations. In the latter case, whilst this did result in the identification of a suitable candidate, the successful applicant ultimately declined the post and it was decided to manage the re-advertising process in-house.

Given the views of the previous post holder on the requirement for the role and experience of the last nine months, during which some significant HR related workloads have been absorbed, it is clear that there is no longer a requirement for a dedicated Head of HR.

It is, therefore, proposed that the role of Head of Finance is revised to become the Head of Finance and HR and that the role of Assistant Finance and Administration Officer is revised to become the Assistant Finance and HR Administration Officer.

It should be noted that whilst the Head of Finance currently works four days per week this is a temporary arrangement pending the appointment of a new Head of Operations, when the post holder will revert to three days per week. It is judged that the HR element of the work can be absorbed given that the administrative elements of the role will be undertaken by the Assistant Finance and HR Administration Officer.

Financial Implications

The deletion of the Head of HR post (scale EO1) equates to a saving of £31,393 per annum. There may be some requirement to purchase advice/support externally but experience to date indicates that this is likely to be modest. For example, NPLaw hourly rates for HR legal advice are £99 per hour and estimated costs for the period February to September 2017 are £615. The use of external agencies to assist in recruitment is unlikely to be repeated.

Whilst there may be pay grade implications for the Head of Finance and HR role it is intended that this together with any changes made as described in the paper for agenda item 9 (Administrative support role) will ultimately be cost neutral.

Background Documents

Minutes of the meeting of the Finance and Personnel sub-committee held on 25th January 2017.

Vision

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Action Item 9

Finance & personnel Sub-Committee Meeting

11 October 2017

Administration Support role

Report by: Andrew Bakewell, Head of Finance

Purpose of report

To request delegated authority to re-design the Administration Support function to encompass a wider range of duties.

Recommendations

It is recommended that members:

- **Agree** to delegate authority to the CEO and Head of Finance to prepare amended job description(s) and to recruit appropriately designated and experienced Officer(s) to meet the requirements of the organisation.
- **Agree** that savings from the deletion of the Head of HR post are utilised to make required improvements in organisational support.

Background

This paper should be read in conjunction with agenda item 8 relating to the role of Head of HR.

The current Administration Support Assistant (Dawn Cummins) took early retirement, leaving the Authority on the 29th September. Following her announcement of her intention to retire the Management Team have taken the opportunity to review the role and the overall administration and support requirements of the organisation. The following were identified as areas that need to be addressed:

- IT Support
- Database upgrade and maintenance
- Intelligence processing
- Publicity and communications
- Current administrative tasks
- HR administration

Work is ongoing to design the most appropriate support function to meet organisational requirements. It is possible that once finalised the role may warrant a higher grade than current and may lend itself to a job share to provide the breadth of skills we seek.

The issue of HR administration is addressed at agenda item 8.

Financial implications

The final solution will be cost neutral because the design will work within the parameters of existing salary scale and savings made as a consequence of the deletion of the Head of HR (£31,393) post and retirement of the Admin/Procurement Officer (£16,974).

Vision

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Information Item 12

Finance & personnel Sub-Committee Meeting

11 October 2017

HR Update

Report by: Andrew Bakewell, Head of Finance & HR

Purpose of report

To inform members of the progress of the HR plan to 2018 and specifically an update of the HR activity planned to be completed during this financial year.

Recommendations

It is recommended that members:

- **Note** the contents of the report

Background

The Head of Finance assumed responsibility for HR upon the departure of Nichola Freer in February 2017. Following successful delivery of the original strategic plan, work continues on the subsequent plan designed to support the delivery of required HR activity to 2018 and beyond. This report gives an overview of current activity in support of this plan.

Update of specific activity

The key activity for 2017 focuses on:

- Developing line manager capability
- Refine the performance review process
- Employee engagement
- Management systems
- Develop a succession plan
- Training to enhance sea going resilience
- Complete recruitment to vacant roles

Training

New recruits have successfully undertaken external training for sea going and internal role related training.

Participation in and attendance at relevant courses and events continues to be encouraged to further enhance knowledge, experience, reputation and presence.

Job descriptions

Following the approved changes to the structure, and some role changes, job descriptions are in the process of revision. Progress has been hampered by other events and activities but a resumed focus is anticipated later this month.

Vacancies

The recruitment process for Head of Operations identified one suitable candidate who subsequent to offer opted to stay with his current employer. The process was handled by an external recruitment agency. An internally managed process began with advertising on the internet, in the media and on the EIFCA website on the 6th September. At the point of writing this report we had identified several potential candidates with the potential for more by the 10th October closing date.

Joiners

Following is a list of new starters in the last 12 months:

Tom Bridges	– Marine Science Officer (MSO)
Samantha Hormbrey	- MSO
Elise Quinn	- MSO
Rebecca Treacy	- MSO
Charlotte Siely	- Inshore Fisheries and Conservation Officer (IFCO)
Greg Emmott	- IFCO (Lowestoft)

The introduction of new people has had a positive impact, with their enthusiasm affecting the whole organisation.

