



**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**

**15th October 2015
1030 hours**

(Revised Agenda)

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

Date: 15 October 2015

Time: 10.30 hours

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



"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."

Agenda

- 1 Welcome by the Clerk
- 2 Election of Chair
- 3 Acceptance of apologies
- 4 Declaration of Members' interests

Action Items

- 5 Minutes of the Finance & Personnel Sub-Committee meeting on 24 June 2015
- *Chair*
- 6 Matters Arising
- 7 To receive and recommend to the Authority, Preliminary provisional estimates of expenditure for the period 1 April 2016 to 31 March 2017. - *Hd Fin*
- 8 To receive and note the preliminary provisional forecasts of estimates of expenditure for the period 1 April 2017 to 31st March 2020. - *Hd Fin*
- 9 To receive a report on the External Audit for 2014/2015 carried out by Mazars LLP on behalf of the Audit Commission. - *Hd Fin*
- 10 Approval of revisions to Expenses Policy – *Hd Fin*
- 11 Marine Protection Review update – *Acting CEO*
- 12 To resolve that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for items 9 and 10 on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 1 of Schedule 12A of the Act
- 13 Confirmation of appointment – *Hd HR*
- 14 To receive a verbal report giving an update with regard to an employee relations matter - *Hd HR*

Information Items

- 15 HR Update – *Hd HR*
- 16 Update on the accommodation refurbishment project expenditure – *Hd Fin*
- 17 Vessel procurement update (verbal update) – *Acting CEO*

- 18 Moorings project update (verbal update) – *Acting CEO*
- 19 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
- a) Replacement of 4x4 vehicle following loss (verbal update) – *Acting CEO*

Julian Gregory
Acting Chief Executive Officer
Date: 7th October 2015

Finance & Personnel Sub-Committee

"EIFCA will lead, champion and manage a sustainable marine environment and inshore fisheries, by successfully securing the right balance between social, environmental and economical benefits to ensure healthy seas, sustainable fisheries and a viable industry".



A meeting of the Finance & Personnel Sub-Committee took place at the EIFCA offices, 6 North Lynn Business Village, King's Lynn, on 24th June 2015 at 1000 hours.

Members Present:

| | | |
|------------------|-------|-----------------------------|
| Cllr Goldson – | Chair | Suffolk county Council |
| Cllr M Baker – | | Norfolk county council |
| Dr S Bolt – | | MMO Appointee |
| Cllr R Fairman – | | Lincolnshire county Council |
| Mr S Worrall – | | MMO Appointee |

Eastern IFCA Officers Present:

| | |
|--------------|--------------|
| P Haslam – | CEO |
| A Bakewell – | Head Finance |
| N Freer – | Head HR |
| J Gregory – | DCEO |

F&P15/18 Welcome

The Chair welcomed members to the meeting.

F&P15/19 Apologies for absence

Apologies for absence were received from Cllrs Cox (NCC), Patience (SCC), Turner and Wilkinson.

F&P15/20 Declarations of Members Interest.

Mr Worrall declared an interest in the agenda item relating to members expenses.

F&P15/21 Election of Chair of the sub-committee

Due to the number of members who were absent it was agreed to defer this item until the next meeting of the sub-committee.

F&P15/22 Minutes of the Finance and Personnel Sub-committee meeting held on 16th January 2015

Agenda item 15/09 had been incorrectly titled. Once this amendment was made **it was agreed the minutes could be signed as a true record of proceedings.**

Proposed: Dr Bolt
Seconded: Mr Worrall
All Agreed

F&P15/23 Matters Arising:

15/11 OFFICE ACCOMMODATION: Members had previously been shown around alternative office accommodation, unfortunately this had proved not to be satisfactory and the decision had been taken to remain in the current accommodation until the end of the current

lease. Alterations were being made to the current office space to provide the best possible working environment.

Once the current lease reached its conclusion investigation would be made into relocating in conjunction with another partner organisation, as requested in the Defra review.

15/12 FPV JOHN ALLEN MODIFICATIONS: The DCEO advised that the modifications had been completed to a high standard and the vessel was transformed both in terms of appearance and utility. Officers were getting to grips with new ways of working and the vessels new capabilities. The final expense of the modifications had slightly varied from the revised quote but the DCEO did not believe it was untoward.

15/14 SUTTON BRIDGE MOORINGS: Members were advised the project was ongoing. Confirmation of contracts was being waited for, which were between the Council and the land owner, the DCEO did not anticipate there was any cause for concern and advised that negotiations were already taking place with how the fueling facilities would be operated.

F&P15/24 To Authorise the Statement of Accounts for the year ended 31 March 2015 and to authorise transfers to and from the authority's Reserve Funds.

The Head of Finance advised members the full set of accounts had been provided for their information but he worked through the summary of accounts including the income and expenditure components of the budget. It was noted that expenditure had been slightly more than budget but this included all the modifications to FPV John Allen as well as purchase of vehicles, without moving money from reserves, only to put it back when there was an underspend.

In addition to the anticipated overspend due to vessel s and vehicles there had also been a saving due to the full complement of staff not having been employed during the course of the year. As the Authority were now working at full capacity it was not anticipated this saving would be repeated in the future.

Cllr Baker referred to the very inaccurate initial quote given for the vessel modification and queried whether the Officers were at all concerned about a company that could make such a large mistake. The DCEO advised the difference between £43k and £80k was a combination of factors as EIFCA had requested more work as well as the yard realising they had underestimated the initial quote. He felt it was a benefit this had been discovered prior to the work being done as it prevented any wrangling about payment after the work had been carried out. The CEO added that as the initial purchase had been a leisure boat to use as a workboat it was always intended as a testplate which had been modified to make it fit for purpose.

The Head of Finance then worked through the Balance Sheet, explaining that all prepayments of insurance policies for the next financial year and outstanding VAT were classed as debtors. The creditors were due to expenses incurred prior to the year end but paid after 31st March 2015.

Earmarked Reserves were also explained to members with changes noted to be due to interest received or in the case of the vehicle reserve due to the purchase of new vehicles. Members were also

reminded that the WFO and WNNCEMS reserves were not actually EIFCA reserves but were held on behalf of other bodies.

Throughout the year grants had been received from AIFCA and Natural England for the purchase of equipment and to fund an ongoing diving project.

Cllr Fairman questioned why there was no income from fines for fishing offences, the DCEO advised that the current approach being taken by the enforcement team was education rather than enforcement.

At this point Dr Bolt advised there was still debate going on as to what should happen to funds paid for FAPs, the treasury believed it should go straight to them however the piece of legislation this belief was based on was in dispute, he advised there was a possibility that IFCA's could receive an invoice for any FAP money they had received.

The CEO, in his capacity of Responsible Finance Officer, advised members that in the previous two years there had been significant underspends however it was his intention to operate either + or - 2% of the annual budget which was what had been achieved during the 2014/2015 financial year.

He was hopeful the same would be achieved during the current financial year and requested members to report to their finance departments that the levy being requested was what was actually required.

Members Resolved to approve the Statement of Accounts and agreed to present them to the full authority meeting in October 2015.

Proposed: Mr Worrall

Seconded: Cllr Fairman

All Agreed

Members Resolved to sign the Annual Return to the Audit Commission.

Proposed: Mr Worrall

Seconded: Cllr Fairman

All Agreed

Members Resolved to authorise in accordance with the Authority's Financial Regulation 3.4 to transfer funds to and from 'ear-marked' reserves as outlined in the papers.

Proposed: Dr Bolt

Seconded; Mr Worrall

All Agreed

F&P15/25 Report on the Internal Audit for 2014/2015 carried out by Norfolk Audit Services

The letter outlining the outcome of the Internal Audit had not been received until the previous day, it was circulated to members who were given a period of time to read and digest the content of the letter.

The Head of Finance advised members that the findings of the audit were that EIFCA was operating on an 'acceptable' basis with minor anomalies which could be easily addressed.

Members agreed to accept the report.

F&P15/26 REVIEW OF MMO APPOINTEE EXPENSES

Members were reminded that at a previous statutory meeting of the Authority one member had requested a review of the level of expenses paid to MMO Appointees. The Head of Finance had looked at other organisations who pay expenses in a similar manner and provided members with the detail of expenses paid to members of the public on jury service.

Members were advised that if EIFCA expenses were amended to reflect a similar level to those paid by the jury service it would cost the Authority an additional £1,000 per annum based on historical claim levels. The CEO advised that it was the Authority's choice whether or not expenses were paid and this decision was reviewed each year therefore if the levels being claimed become unaffordable there was always the ability to remove the option to pay these expenses, however, he felt MMO appointees added a significant value to the authority and he felt investing in them was productive.

Members considered the options and Resolved to retain the current method of payment but with amended rates of 45p per mile and loss of earning rates of £32.50 for up to 4 hours and £65.00 for more than 4 hours.

Proposed: Chair

Seconded: Cllr Baker

All Agreed

F&P15/27 Resolution

It was resolved that under section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for items 11, 12 and 13 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 1 of Schedule 12A of the Act.

Proposed: Cllr Baker

Seconded: Mr Worrall

All Agreed

F&P15/28 PERMANENT APPOINTMENT OF MEO (DATA)

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

Members were advised that the current incumbent had completed 6 months in this post. During this period she had proved to be a thorough professional and an asset to the Environment team.

Members Resolved to approve the permanent appointment of Frances Burrows to this post.

Proposed: Chair

Seconded: Mr Worrall

All Agreed

F&P15/29 CHIEF EXECUTIVE OFFICER & DEPUTY CHIEF EXECUTIVE OFFICER SALARY REVIEW

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

At this point the CEO, DCEO and Head of Finance left the room.

Members were reminded that in 2012 a review of all salary scales, with the exception of the CEO was carried out. Since that time there had been a change in the management structure with the roles of Head of Marine Protection and Head of Marine Environment being amalgamated to form the role of DCEO,

The decision had been taken to review both of these posts together and members were provided with the outcome of that review, which was carried out by the NCC Rewards Team. In summary they felt there was a case to increase the current salary scale for the DCEO but the CEO position still scored within the band in which it already sat.

Members considered the full report and the Chair advised members that the CEO had been head hunted for a 6 month secondment with the MMO, during which time they would pay his salary. The chair advised that he had approved the secondment but was concerned about the possibility of the CEO deciding to stay on with the MMO after the 6 month period.

Dr Bolt acknowledged that the CEO had recently been appointed to the position of Deputy to the CoG and it was possible he could become Chair of that group in a few years' time, he also advised that all IFCA chiefs had been written to asking if they would be interested in the 6 month secondment so there was always the possibility the EIFCA CEO may not get the position if there were other applicants.

At this point the Head of HR left the room

Members spent time considering the advice of NCC Reward Team and the current salary structure. There was discussion with regard to movement within a scale if the DCEO and CEO were moved to new pay scales. The Chair advised that movement within that scale would be linked to a performance review and the ability to meet set targets.

Throughout the discussions members were mindful of the fact it was the post which was being reviewed rather than current post holder. With this in mind there was a reluctance to change the figures associated with salary scale E04 points 56 to 61, but it was felt it more appropriate to add new points 62 to 67 which would leave the authority with flexibility for the future, progression would be based on a performance review with movement limited to a maximum of one scale point/annum.

Members Resolved to allocate scale E03 to the post of Deputy CEO, and to increase scale E04 to spinal column point 67 as set out in the papers. The current CEO would be moved to point 63. Movement within these scales would be based on performance reviews and limited to a maximum of one spinal column point per annum.

Proposed: Cllr Baker

Seconded: Cllr Fairman

All Agreed

At this point the CEO, DCEO, Head of HR and Head of Finance were asked back into the meeting.

F&P15/30 HR Update

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

- The Head or HR gave a brief resume of the HR function since the last meeting. The main focus for the year had been Management Development with a course on presentation skills being the most recent workshop attended.
- The newest member of the enforcement team had displayed some behavioural issues which were not considered to be in keeping with EIFCA and it had been necessary to extend his probationary period, however since then feedback received had suggested there had been an improvement.
- A temp had been employed for a period of 8 weeks to finalise the task of migrating data to a new filing system.
- One employee had resigned from his post of Research Officer, rather than replacing like with like straight away a former temporary employee had been re-engaged until the end of September, at which point a decision would be made on the vacated post.
- Performance reviews were being carried out, these were now in their 3rd year and were becoming better established. Mr Worrall enquired whether all posts had performance related salary increments, the CEO advised this was not currently the case but it was anticipated this would be the next step.
- EIFCA had bid for funding for a temporary Environment Officer to assist with the work being carried out for MPAs, Dr Bolt advised that whilst the total funding bid had been slightly higher than the allowance he was optimistic that EIFCA would get the majority, if not all, of the grant they had requested for a 1 year temporary role. The CEO advised that he had enquired with other agencies whether they may be able to provide a member of staff fully up to speed with MPAs for a 12 month secondment.

Members Agreed to note the report

F&P15/31 Overview of the marine protection function review project

Various tweaks had been made to the marine protection function since 2012 but it had become evident it was necessary for a full review to be carried out. A project plan had been established for a 6 month review led by the DCEO.

The DCEO advised the role would be developed as the review went along, which may mean at the end of the 6 month period there were no further changes to be made. The CEO felt it was necessary to reverse the culture to ensure EIFCA were getting value for money.

Members Agreed to note the report.

F&P15/32 EHO/DSP sampling costs

The CEO advised that in an area where there were shellfish fisheries there was a requirement to sample water and shellfish quality. This was not an EIFCA duty but historically the authority have taken on this

role charging £45 per sample which in fact cost closer to £400 each to collect.

The CEO had contacted the relevant borough councils and drawn up a Service Level Agreement to increase the charge per sample. Initially this would increase to £100/sample followed by annual increments until the full cost was being recovered.

Members Agreed to note the report.

F&P15/33 Any other urgent business

There were no matters of urgent business put forward for discussion.

The meeting closed at 1150 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



Finance & Personnel Sub-Committee

Action Item 7

15th October 2015

Preliminary Estimates of Expenditure for the period 1st April 2016 to 31st March 2017

Report by: Andrew Bakewell – Head of Finance

Purpose of report

To set out the background information and calculations used to determine the Preliminary Estimates for 2016/2017. It is stressed that these are preliminary estimates based upon five months expenditure in 2015/2016. These estimates will be revised and presented again as Provisional Estimates of Expenditure to the FPSC at their meeting in January 2016 for agreement and recommendation to the full Authority at their Statutory meeting at the end of January 2016.

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 current and impending reduction in County Council funding.

Recommendations

Members are asked to consider, note and agree the Preliminary Estimates of Expenditure for 2016/2017.

Background

The Preliminary Estimates of Expenditure for the financial year 2016/2017 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 (2015/2016) 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 Levy contribution from County Councils.

The projected expenditure less income for 2015/2016 shows a saving of £24,532 over the original budget (1.7%). The total saving arises from expenditure £9,532 (salaries £66,367 offset by one-off overspends in other areas of £56,835) and income £15,000 more than budget (increased fees and one off grants)

The calculation of the Preliminary Estimate for 2016/2017 (Table 1) from base levy in 2011 £1,329,236 has been achieved.

Notes on Expenditure

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

Variations from 2015/2016 Budget (including inflation) to the 2015/2016 Projection and 2016/2017 Preliminary Estimate are summarised under the main budget headings in the following table:

| | 2015/2016 Budget incl inflation £ | 2015/2016 Projection £ | 2016/2017 Preliminary Estimate £ |
|-----------------------|-----------------------------------------|------------------------------|----------------------------------------|
| Salaries & Wages | 951,980 | -66,367 | +6,254 |
| General Expenditure | 238,703 | +16,647 | -15,250 |
| Departmental Op Costs | 38,605 | +395 | -2,555 |
| Vessels | 174,299 | +36,000 | -162 |
| Vehicles | 20,707 | +3,793 | +4,593 |
| TOTAL | 1,424,294 | -9,532 | -20,627 |

Salaries & Wages

| <u>2015/2016 Projection</u> | <u>2016/2017 Preliminary Estimate</u> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>a) Salaries have been calculated for the actual complement, and include 1% for the LGS pay award plus appropriate scale point increases. Savings have arisen from the 6 month secondment of the CEO, vacancy management and part time working.</p> <p>b) Employer's NI contributions are calculated at 2015/2016 rates.</p> <p>c) Employer's pension contributions are calculated at 20.5% pensionable pay.</p> | <p>a) Salaries have been calculated for the whole complement of staff using the agreed salary scales and include 2% for the 2015 Local Government Services pay award.</p> <p>b) Salary increments are included where appropriate.</p> <p>c) Employer's NI Contributions are calculated at 2016/2017 rates</p> <p>d) Employer's pension contributions are calculated at 21% pensionable pay.</p> <p>The increase in salaries compared with 2014/2015 Budget is due to achieving and maintaining a full complement of staff. Provision is also made for anticipated increase in employer's pension costs.</p> |

General Expenditure

| <u>2015/2016 Projection</u> | <u>2016/2017 Preliminary Estimate</u> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Cost increases compared to 2015/2016 Budget are mainly due to:-</p> <p>a) Anticipated "one-off" costs related to accommodation changes.</p> <p>b) Training and equipment costs of new staff.</p> <p>c) Cost of new uniforms.</p> | <p>Cost increases compared to 2015/2016 Budget are mainly due to:-</p> <p>a) Decision to stay in current accommodation, costs incurred in previous year</p> |

Departmental Operational Costs

| <u>2015/2016 Projection</u> | <u>2016/2017 Preliminary Estimate</u> |
|-------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| <p>Small increase on 2014/15 budget due to:-</p> <p>a) Increased enforcement activity and emergency bye law introduction.</p> | <p>Increases due to:-</p> <p>a) Inflation</p> <p>b) Increased enforcement activity relating to new legislation.</p> |

Vessels

The 2015/2016 budget provided for the operating costs of Three Counties, John Allen and Pisces all year and an additional vessel for a part year.

| <u>2015/2016 Projection</u> | <u>2016/2017 Preliminary Estimate</u> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Increases are due to the extra refit costs for Three Counties and an extra vessel in the latter part of the year. Some savings from the later than anticipated delivery of the new vessel. | Savings arising due to following increases:- a) Full year cost of an extra vessel b) Maintenance costs of "older" vessels. Offset by: One-off upgrades not repeated. |

Vehicles

| <u>2015/2016 Projection</u> | <u>2016/2017 Preliminary Estimate</u> |
|------------------------------------------------------------------|--------------------------------------------|
| Increased area coverage (part year) has increased vehicle usage. | Assumed full year increased area activity. |

Inflation Contingency

An inflation contingency of 2% on salaries and 2% on prices excluding Rent and Rates is included in the Preliminary Estimate.

Income

| <u>2015/2016 Projection</u> | <u>2016/2017 Preliminary Estimate</u> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| The increase in income compared to 2015/2016 budget is due to:- a) Income from Licence tolls b) Introduction of whelk licences c) Increased sampling charges d) Other chargeable activities. | Income for 2016/2017 estimated to increase as a result of further increases to sampling charges and licence income. |

Reserves

The amounts held in EIFCA's ear-marked reserves estimated at 30.09.2015 are set out below:

| | £ |
|----------------------------|------------------|
| Fixed Penalty Fine Fund | 1,500 |
| ICT Fund | 26,242 |
| IVMS Fund | 300,000 |
| Legal and Enforcement Fund | 75,000 |
| Office Improvement Fund | 10,000 |
| Operational Fund | 250,000 |
| Research Fund | 89,921 |
| Vehicle Renewals Fund | 56,589 |
| Vessel Contingency Fund | 210,765 |
| Vessel Replacement Fund | <u>954,669</u> |
| | <u>1,974,686</u> |

Levies

The resultant Levies on the constituent County Councils from the Preliminary Estimates of Expenditure for 2016/2017 are:

| | Norfolk County Council | Suffolk County Council | Lincolnshire County Council |
|----------------------------------------|---------------------------|------------------------------|--------------------------------|
| | £ | £ | £ |
| Contribution from County Council Funds | 386,983 | 290,488 | 327,678 |
| New Burden Funding Allocation | 151,999 | 114,420 | 127,726 |
| Total Levy | 538,982 | 404,908 | 455,404 |
| | 38.5% | 28.9% | 32.6% |
| <u>For Information</u> | | | |
| <u>2014/2015</u> Total Levy | 535,815 | 402,531 | 452,724 |

(information only)

Feedback from Meeting with Finance Directors (6/10/15)

A very positive meeting with indications from the three representatives of the County Councils that they were happy that the Authority had planned a standstill levy with any differences being found from savings or reserves. They all suggested that the standstill position would be the likely best outcome in future years and that the Authority would need to find additional income and savings to bridge any gaps.

Table 1**Preliminary Estimates of Expenditure 2016/2017**

| | 2015/2016 Budget Inc. Infl | 2015/2016 Act/Proj | 2016/2017 Preliminary Estimate |
|-------------------------------------------------------------|----------------------------------|-----------------------|--------------------------------------|
| | £ | £ | £ |
| Salaries & Wages | 951,980 | 885,613 | 958,234 |
| General Expenditure | 238,703 | 255,350 | 224,243 |
| <u>Departmental Operational Costs</u> | | | |
| Research and Environment | 17,330 | 15,000 | 16,500 |
| Marine Protection | 11,010 | 15,500 | 16,000 |
| Communication and Development | 10,265 | 8,500 | 7,500 |
| <u>Vessels</u> | | | |
| Moorings & Harbour Dues | 26,720 | 26,720 | 31,300 |
| Research Vessel - Three Counties | 80,286 | 105,286 | 96,344 |
| Enforcement Vessels - John Allen/ANO RIB(S) | 56,520 | 62,520 | 63,830 |
| Pisces III/Pacific 22 | 10,773 | 15,773 | 5,770 |
| Vehicles | 20,707 | 24,500 | 25,200 |
| TOTAL EXPENDITURE | £ 1,424,294 | £ 1,414,762 | £ 1,444,921 |
| INCOME | -25,000 | -40,000 | -42,000 |
| EXPENDITURE LESS INCOME | £ 1,399,294 | £ 1,374,462 | £ 1,402,921 |
| <i>LESS New Burden Funding</i> | <i>-£394,145</i> | <i>-£394,145</i> | <i>-£394,145</i> |
| LEVY to be funded by County Councils | £ 1,005,149 | £ 980,617 | £ 1,008,776 |
| Percentage reduction from Base Levy(£1,329,236) | -24.4% | -26.2% | -26.4% |
| Assets funded | 0 | 470,000 | 30,000 |

Preliminary Estimates of Expenditure 2016/2017

Table 2

Details of Expenditure - Salaries & Wages and General Expenditure

| | 2015/2016 Budget Inc. Infl | 2015/2016 Projection | 2016/2017 Preliminary Estimate |
|---------------------------------------------------------|----------------------------------|-------------------------|--------------------------------------|
| <u>SALARIES</u> | | | |
| Staff Remuneration | 740,730 | 693,672 | 742,992 |
| Superannuation | 155,550 | 141,784 | 159,743 |
| National Insurance | 55,700 | 50,157 | 55,499 |
| TOTAL | 951,980 | 885,613 | 958,234 |
| <u>GENERAL EXPENDITURE</u> | | | |
| <i>Accommodation (Rent,Rates, Insurances,Utilities)</i> | | | |
| Rent | 59,733 | 33,625 | 33,625 |
| Business Rates | 13,800 | 15,600 | 15,830 |
| Water Rates | 615 | 640 | 643 |
| Service Charges | 4,450 | 3,450 | 3,455 |
| Insurance - Buildings | 1,090 | 740 | 740 |
| Insurance Office & General | 15,365 | 15,365 | 16,000 |
| Electricity | 2,450 | 3,450 | 3,520 |
| Cleaning | 2,750 | 3,250 | 3,250 |
| Maintenance & Redecoration | 800 | 30,050 | 1,050 |
| TOTAL | 101,053 | 106,170 | 78,113 |
| <i>General Establishment</i> | | | |
| Advertisements & Subscriptions | 15,620 | 15,620 | 15,740 |
| Legal & Professional Fees | 11,400 | 11,400 | 11,400 |
| Telephones (Office & Mobile) | 2,000 | 5,000 | 5,000 |
| Postage & Stationery | 4,650 | 4,650 | 4,650 |
| Equipment Hire & Renewals | 4,550 | 4,550 | 4,550 |
| IT Support (including Citrix) | 21,700 | 26,660 | 27,840 |
| Uniforms & Protective Clothing | 9,000 | 12,000 | 9,090 |
| Medical Fees | 1,500 | 1,500 | 1,500 |
| Recruitment | 1,700 | 1,700 | 1,700 |
| Sundry Expenditure inc. Meeting Costs | 4,210 | 4,210 | 4,230 |
| TOTAL | 76,330 | 87,290 | 85,700 |
| <i>Officers' Travel & Subsistence</i> | | | |
| General Travel - Fares, Taxis etc | 2,800 | 4,310 | 2,900 |
| Subsistence Payments | 10,000 | 10,500 | 10,240 |
| Overnight Subsistence | 1,600 | 1,500 | 1,700 |
| Hotel - Accommodation & Meals | 5,170 | 4,330 | 5,000 |
| TOTAL | 19,570 | 20,640 | 19,840 |
| <i>Members' Travel</i> | | | |
| Training | 4,750 | 4,750 | 4,800 |
| | 37,000 | 36,500 | 35,790 |
| TOTAL GENERAL EXPENDITURE | 238,703 | 255,350 | 224,243 |
| <u>Departmental Operational Costs</u> | | | |
| Research and Environment | 17,330 | 15,000 | 16,500 |
| Marine Protection | 11,010 | 15,500 | 16,000 |
| Communication and Development | 10,265 | 8,500 | 7,500 |

Preliminary Estimates of Expenditure 2016/2017**Table 3**

Details of Expenditure - Vessels & Vehicles

| | 2015/16 Budget Inc. Infl | 2015/16 Projection | 2016/2017 Provisional Estimate |
|----------------------------------------------|-----------------------------------------|-------------------------------|-----------------------------------------------|
| <u>MOORINGS & HARBOUR DUES</u> | | | |
| Rent - Sutton Bridge Moorings | 16,500 | 16,500 | 16,500 |
| Maintenance | 2,720 | 2,720 | 2,800 |
| Berthing & Harbour Dues | 7,500 | 7,500 | 12,000 |
| TOTAL | 26,720 | 26,720 | 31,300 |
| <u>RESEARCH VESSEL</u> | | | |
| <u>Three Counties</u> | | | |
| Maintenance & Repairs | 18,706 | 18,706 | 19,174 |
| Refit | 25,000 | 50,000 | 40,000 |
| Insurance & Certification | 14,140 | 14,140 | 14,281 |
| Fuel | 22,440 | 22,440 | 22,889 |
| TOTAL | 80,286 | 105,286 | 96,344 |
| <u>ENFORCEMENT VESSELS</u> | | | |
| <u>John Allen/Sebastian Terelinck</u> | | | |
| Maintenance & Repairs | 20,000 | 20,000 | 20,640 |
| Upgrade | | | |
| Insurance & Certification | 12,040 | 18,040 | 18,220 |
| Fuel | 24,840 | 24,480 | 24,970 |
| New Vessel Preliminary Costs | | | |
| TOTAL | 56,520 | 62,520 | 63,830 |
| <u>PiscesIII/replacement</u> | | | |
| Maintenance & Repairs | 9,450 | 9,450 | 4,000 |
| Temporary hire | | 5,000 | |
| Insurance & Certification | 323 | 323 | 750 |
| Fuel | 1,000 | 1,000 | 1,020 |
| TOTAL | 10,773 | 15,773 | 5,770 |
| <u>VEHICLES</u> | | | |
| Insurance | 5,207 | 5,400 | 5,430 |
| Fuel & Sundries | 11,250 | 13,100 | 12,720 |
| Servicing | 3,100 | 4,850 | 5,900 |
| Vehicle Tracking | 1,150 | 1,150 | 1,150 |
| TOTAL | 20,707 | 24,500 | 25,200 |

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



Finance & Personnel Sub-Committee

Action Item 8

15th October 2015

Preliminary Forecasts of Estimates of Expenditure for the period 1st April 2017 to 31st March 2020

Report by: Andrew Bakewell – Head of Finance

Purpose of report

To set out the background information and calculations used to determine the Preliminary Estimates for the three years up to 31st March 2020. It is stressed that these preliminary estimates use the projection for 2015/16 as the base, which are themselves based upon five months actual expenditure in 2015/2016.

Preliminary estimates have been prepared in order to provide a longer term view of the funding requirements of the authority.

Recommendations

Members are asked to note the Preliminary Estimates of Expenditure for the three years to the 31st March 2020 included in the table below.

Background

The table of Preliminary Estimates of Expenditure for the years to 2019/20 are summarised under the main budget headings.

Table 1 also shows the latest estimate for the current financial year (2015/2016). 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 Levy contribution from County Councils.

Basis of estimates

Salaries & Wages

- Full complement as per agreed structure assumed throughout
- Salary inflation 2% plus scale point increases
- NI rebate removed 2016/17 onwards

General Expenditure

- "One off" costs in 2015/16 not projected forward, inflation where appropriate 1%

Departmental Operational Costs

- Inflation where appropriate 1%

Vessels

- Assumes operation of; Three Counties, 2 Enforcement vessels and Pisces/replacement from 2016/17 onwards

Vehicles

- Fleet remains at current 8 vehicles with changes at appropriate intervals

Income

- Forecast at modest levels with extra income generation required to offset falling interest on deposits.

Provisional Forecast of Estimates 2016/2020

| | 2015/2016 Estimate Incl. Infl £ | 2016/2017 Forecast £ | 2017/2018 Forecast £ | 2018/2019 Forecast £ | 2019/2020 Forecast £ |
|----------------------------------------------|------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <u>SALARIES & WAGES</u> | | | | | |
| Staff Remuneration | 693,672 | 742,992 | 764,000 | 780,000 | 796,000 |
| Superannuation | 141,784 | 159,743 | 164,253 | 167,700 | 171,140 |
| National Insurance | 50,157 | 55,499 | 75,867 | 78,300 | 80,600 |
| TOTAL | 885,613 | 958,234 | 1,004,120 | 1,026,000 | 1,047,740 |
| <u>GENERAL EXPENDITURE</u> | | | | | |
| Accommodation | 90,805 | 62,113 | 62,855 | 63,859 | 64,924 |
| Insurance | 15,365 | 16,000 | 16,295 | 17,250 | 18,000 |
| General Establishment | 87,290 | 85,700 | 86,199 | 86,729 | 87,533 |
| "One off" costs not reserved | | | | | |
| Officers' Travel and Subsistence | 20,640 | 19,840 | 19,965 | 20,070 | 20,835 |
| Members' Travel | 4,750 | 4,800 | 4,850 | 4,900 | 5,000 |
| Training | 36,500 | 35,790 | 36,060 | 36,380 | 36,600 |
| TOTAL | 255,350 | 224,243 | 226,224 | 229,188 | 232,892 |
| <u>DEPARTMENTAL OPERATIONAL COSTS</u> | | | | | |
| Research and Environment | 15,000 | 16,500 | 17,500 | 17,600 | 18,000 |
| Marine Protection | 15,500 | 16,000 | 16,250 | 16,500 | 16,750 |
| Communication and Development | 8,500 | 7,500 | 3,600 | 3,650 | 3,700 |
| <u>VESSELS</u> | | | | | |
| Moorings & Harbour Dues | 26,720 | 31,300 | 31,281 | 31,317 | 31,350 |
| Three Counties | | | | | |
| Operating Costs | 105,286 | 96,344 | 99,424 | 102,627 | 105,957 |
| Enforcement Vessels | | | | | |
| RIB(S) | | | | | |
| Operating Costs | 62,520 | 63,830 | 65,153 | 66,989 | 67,839 |
| Pisces III/replacement | | | | | |
| Operating Costs | 15,773 | 5,770 | 5,998 | 6,236 | 6,486 |
| TOTAL | 210,299 | 197,244 | 201,856 | 207,169 | 211,632 |
| <u>VEHICLES</u> | | | | | |
| Operating Costs | 24,500 | 25,200 | 25,490 | 25,959 | 26,342 |
| TOTAL EXPENDITURE | 1,414,762 | 1,444,921 | 1,495,040 | 1,526,065 | 1,557,056 |
| INCOME (inc Capital grants) | -40,000 | -42,000 | -44,000 | -46,000 | -48,000 |
| LEVY (Expenditure less Income) | 1,374,762 | 1,402,921 | 1,451,040 | 1,480,065 | 1,509,056 |
| New burden | -394,145 | -394,145 | -394,145 | -394,145 | -394,145 |
| County council levy | -996,925 | -1,008,776 | -1,056,895 | -1,085,920 | -1,114,911 |

Vision

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Finance & Personnel Sub-Committee

15th October 2015

Action Item: 9

Report on the Internal and External Audit for 2014/2015

Report by: Andrew Bakewell – Head of Finance

Purpose of report

It is a Statutory Requirement that the result of the Annual Internal Audit is reported to members of the Finance & Personnel Sub-Committee and subsequent outcome of the External Audit.

Recommendations

Members are asked:-

- a) to receive the report and approve the appointment of Norfolk Audit Services to carry out the Internal Audit for Eastern IFCA for 2015/2016.
- b) To acknowledge the result of the External Audit carried out by Mazars LLP.

Background

The 2014/2015 Internal Audit was carried out by Norfolk Audit Services.

The Audit letter which provides an outline of the work undertaken and which constitutes the audit certificate is attached.

The overall audit opinion, based on evidence from the work carried out is that the Internal Controls for the Authority are 'Acceptable'. Recommendations contained in the audit report have been agreed and actioned

It is proposed that Norfolk Audit Services are appointed as Internal Auditors for the next financial year 2015/2016. As a 'light touch' audit is to be carried out by external audit it is probably even more important that a 'robust' internal audit is maintained.

Mazars LLP provided an unqualified audit certificate for 2014/15. "on the basis of our review, in our opinion the information in the annual return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met."

Background documents

2014/2015 Internal Audit Report (attached)

Section 4 – Annual internal audit report 2014/15 to

The body's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2015.

Internal audit has been carried out in accordance with the body's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the body.

| Internal control objective | Agreed? Please choose one of the following | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|------|---------------|
| | Yes | No** | Not covered** |
| A Appropriate accounting records have been kept properly throughout the year. | ✓ | | |
| B The body's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for. | ✓ | | |
| C The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these. | ✓ | | |
| D The annual taxation or levy or funding requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate. | ✓ | | |
| E Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for. | ✓ | | |
| F Petty cash payments were properly supported by receipts, all expenditure was approved and VAT appropriately accounted for. | ✓ | | |
| G Salaries to employees and allowances to members were paid in accordance with body approvals, and PAYE and NI requirements were properly applied. | ✓ | | |
| H Asset and investments registers were complete and accurate and properly maintained. | ✓ | | |
| I Periodic and year-end bank account reconciliations were properly carried out. | ✓ | | |
| J Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, and, where appropriate, debtors and creditors were properly recorded. | ✓ | | |

For any other risk areas identified by the body (list any other risk areas below or on separate sheets if needed) adequate controls existed:

Our Annual Audit Letter, dated 22 June 2015 is attached

Name of person who carried out the internal audit: *A. THOMPSON*

Signature of person who carried out the internal audit: *A. Thompson* Date: *1/7/2015*

*Note: If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, internal audit must explain why not (add separate sheets if needed).

Phil Haslam
Chief Executive Officer
Eastern inshore Fisheries and Conservation Authority
6 North Lynn Business Village
Bergen Way, Kings Lynn
PE30 2JG

Norfolk Audit Services
7th Floor
County Hall
Martineau Lane
Norwich
Norfolk
NR1 2DW

Please ask for: Adrian Thompson
Direct Dialling Number: 01603 222784
Email: adrian.thompson@norfolk.gov.uk

6 October 2015

Dear Mr Haslam,

Internal Audit 2014-15 of EIFCA

The Joint Committee for the Eastern Inshore Fisheries and Conservation Authority (EIFCA) appointed Norfolk Audit Services to undertake the internal audit work for the financial year ended 31 March 2014 and to provide the audit report for the year as required in the Annual Return as described in our letter of engagement signed on 14 April 2015.

We have now completed that work and this letter and its appendix provides an outline of the work we have completed.

I would like to thank all concerned for their assistance and co-operation during this audit, and in particular the Head of Finance, the Admin Officer and Finance Assistant and the Chief Executive Officer.

The work we undertook built on the work of previous years internal audit coverage. Appendix A details the areas we have examined, the extent of our coverage and our opinion with respect to each of these areas. In each case I am pleased to report that controls were acceptable.

The responsibility for internal control, completeness and accuracy of records and statements, rests with the Joint Committee and yourself.

The responsibility for internal control includes:

- The ongoing maintenance of internal control,
- financial systems,
- risk management and,
- protection of assets.

The audit work was based on sampling transactions to test the operation of controls. It cannot guarantee the elimination of fraud or error. Our opinion is based on the risks identified to the Joint Committee, which exists within the controls that we examined at the time of the audit.

The work has concentrated on assessing the adequacy and effectiveness of financial control by measuring the systems in operation against control objectives. This has included limited detailed checking of records as appropriate. The level of risk resulting from any control weakness has been reviewed and recommendations have been made to reduce the risk to an acceptable level where appropriate.

The audit process seeks to reduce risk to an acceptable level based on the efficient, economic and effective application of financial controls. Changes to controls suggested in audit recommendations are intended to achieve these benefits. This process does not wholly eliminate risk. It is the responsibility of the Joint Committee to safeguard the assets of the service and hence to take reasonable steps to the prevention and detection of fraud and other irregularities.

Our overall audit opinion is based on two grades which are explained in the table below:

| Opinion | Assessment of internal control | Action required from the recipient - as agreed with the auditors |
|--------------------------------------|----------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Acceptable | Few or no weaknesses, mostly insignificant | Remedial action required. |
| Key issues that need to be addressed | A number of weaknesses, mostly significant or one or more major weaknesses | Remedial action required immediately. |

Our opinion, based on the evidence we have seen as part of this audit, is that internal control for the Joint Committee is “Acceptable”.

The eleven issues highlighted below were identified during the audit and these have been discussed with the Head of Finance and appropriate actions have been agreed.

1. An order for expenditure above £5000 had not been authorised by the Chief Executive Officer in line with internal procedures (Appendix A, section B),
2. Income invoices do not state the date when payment is due, this formed part of the Management letter issued for the 2013-14 year (Appendix A, section E) ,

3. The cashbook is not always updated to record income received (Appendix A, section E)
4. One petty cash payment sampled did not have a corresponding receipt or invoice retained (Appendix A, section F),
5. VAT had been accounted for on all petty cash receipts, although it was not clear whether every item had vat to claim. Incorrect claims may result in penalties being incurred from HMRC due to not being fully compliant with Section 12 of the VAT notice 749 (Appendix A, section F),
6. Current workboat certificate not held on file (Appendix A, section H),
7. The corporate asset register is only formally updated on an annual basis even though significant items had been purchased and sold during the year (Appendix A, section H),
8. Due to sickness absence the monthly bank reconciliations have not always been completed timely (Appendix A, section I),
9. One stale cheque included in the year end reconciliation (Appendix A, section I),
10. Monthly bank reconciliations are not independently reviewed which increases the risk of fraud (also identified in previous years) (Appendix A, section I).

The audit of accounts for the year ended 31 March 2014 was undertaken by the external auditors, Mazars. An unqualified opinion was given in relation to the information in that year's Annual Return.

The internal audit report in the Annual Return has also been completed and returned to you separately. I am pleased to report that our conclusions were that in all significant respects all the control objectives were being met to a standard adequate to meet the needs of the body.

I would suggest that a copy of this letter is provided to your external auditors with the Annual Return.

From 1 April 2015, the implementation of the Local Audit and Accountability Act 2014 means there will no longer be a requirement for joint committees to have their accounts separately prepared and externally audited. The final mandatory audit for such bodies covers the period 2014/15.

The Government has made this change as the appropriate parts of the financial results of joint committees are reported in the accounts of their constituent bodies, so they will be externally audited by auditors appointed to audit the accounts of these bodies.

Constituent authorities will need to consider the effect of this and ensure that an effective financial and governance framework is maintained for those joint committees and the funds they control. Authorities may continue to arrange for a separate internal auditor's review of joint committees if they choose, looking at:

- The ongoing maintenance of internal control,
- financial systems,
- risk management and,
- protection of assets.

The provision of this work should be sufficient in most cases in providing assurance that there are adequate financial and governance controls in place within the joint committees. Please let me know if you require us to provide this assurance going forward, and I will happily provide a quote.

Thank you for returning the action plan.

Yours sincerely

A handwritten signature in black ink, appearing to read "Adrian Thompson". The signature is written in a cursive style with a long horizontal flourish at the end.

Adrian Thompson
Chief Internal Auditor
Norfolk Audit Services

**Eastern Sea Fisheries Joint Committee
Internal Audit 2014-15**

Please note; numbers shown in brackets relate to the findings documented on page 3 of the letter

| Internal control objectives | Extent of Coverage / Comments | Opinion |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| <p>A. Appropriate accounting records have been kept properly throughout the year</p> | <p>It can be concluded that appropriate accounting records at Eastern Inshore Fisheries Conservation Authority (EIFCA) have been kept throughout the year. Purchase invoices, sales invoices, bank statements, cash book, bank reconciliations and payroll records have been seen as part of our audit work. The asset register is only being updated annually, rather than throughout the year (see recommendation included in part H).</p> | <p>Acceptable</p> |
| <p>B. The body's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for</p> | <p>A sample of 10 invoices totalling £25,038.55 and covering period from April 2014 to March 2015 were reviewed:</p> <p>All invoices were correctly authorised for payment by the Line Manager, arithmetically checked, coded appropriately and VAT was accounted for correctly.</p> <p>However, the process whereby expenditure of over £5000 is subject to Chief Executive Officer authorisation at the ordering stage was not followed for one payment of £12,828.48 (1).</p> <p><u>Recommendation</u></p> <p>Items above agreed thresholds to be appropriately authorised at the ordering stage of the process in line with approved internal procedures for expenditure.</p> <p><u>Agreed Action Plan</u></p> | <p>Acceptable</p> |

| Internal control objectives | Extent of Coverage / Comments | Opinion |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| | Agreed with recommendation | |
| <p>C. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these</p> | <p>A risk register is in place and is included within the 2014-15 Annual Plan.</p> <p>The register is reviewed and formally updated where necessary on a quarterly basis.</p> | Acceptable |
| <p>D. The annual taxation levy or funding requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate</p> | <p>Budgets are set on an annual basis using the current budget, with alterations in line with the three year plan and priorities listed in the annual plan. This is approved by the full board. Levies for the year (2014-15) were correctly received and the level and purpose of reserves were agreed by the EIFCA board.</p> <p>Income and expenditure reports and management accounts showing over/under spend compared to budget are presented by the Head of Finance to the Finance and Personnel committee and to the full board on a quarterly basis to ensure the budget is monitored.</p> <p>The level and purpose of the reserves are reported to the full board for approval on an annual basis as part of the statement of accounts and more frequently if there are changes during the year.</p> | Acceptable |
| <p>E. Expected income was fully received, based on correct prices, properly recorded and promptly banked and VAT was appropriately accounted for</p> | <p>A sample of 5 invoices totalling £18,075 and raised between April 2014 and March 2015 were reviewed: Income received was banked promptly and based on correct prices. As EIFCA is not VAT registered, VAT is not shown on the invoices.</p> <p>However, invoices do not state when payment is due, there is an expectancy that debtors should pay as soon as possible. This was raised in the previous audit for 2013/14 and an agreed action plan was set for date due to be included on all invoices raised by EIFCA (2).</p> | Acceptable |

| Internal control objectives | Extent of Coverage / Comments | Opinion |
|------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| | <p>Four out of the five invoices tested confirmed income was properly recorded in the records, however, one income (for Stebbings Used Cars dated 6th August 2014) was not recorded as received in the cash book, although it was seen on the bank statement (3).</p> <p><u>Recommendation</u></p> <p>Invoices to state the date when payment is due. All income to be recorded when received.</p> <p><u>Agreed Action Plan</u></p> <p>Agreed with recommendation</p> | |
| <p>F. Petty cash payments were properly supported by receipts, all expenditure was approved and VAT properly accounted for</p> | <p>From a discussion about the processes carried out it appears that controls in place are adequate. The approved limit is £15. A sample of 10 petty cash payments were reviewed.</p> <p>All petty cash vouchers had been appropriately checked and authorised.</p> <p>One claim made was not supported by a receipt (4). The remaining petty cash payments sampled all had receipts, however VAT was reclaimed on all these receipts, although it was not always clear whether the item was vatable (5).</p> <p><u>Recommendation</u></p> <p>All petty cash claims should be supported with a supporting receipt or invoice. VAT should be recorded if there has been a VAT element clearly identified on the receipt or invoice. A simplified vat invoice/receipt includes: date of issue, name, address and vat number of the retailer, description of the goods/services , amount payable including VAT and the VAT rates applicable to different items. Till receipts sometimes use an asterisk * to identify standard rated goods on till receipts. This is acceptable for VAT purposes if they contain the address and VAT registration number of the supplier.</p> | <p>Acceptable</p> |

| Internal control objectives | Extent of Coverage / Comments | Opinion |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| | <p>Where a receipt or invoice does not include the required information, HMRC will permit VAT recovery if it can demonstrated that a full invoice was asked for, the retailer is an established VAT registered UK business and the goods are clearly VATable. These should be noted and attached to the petty cash claim.</p> <p><u>Agreed Action Plan</u></p> <p>Client fully aware of receipt requirements. Executive approval obtained for reimbursements without receipts.</p> | |
| <p>G Salaries to employees and allowances to members were paid in accordance with body approvals, and PAYE and NI requirements were properly applied</p> | <p>For two months (November 2014 and February 2015) a sample of two employees were tested. Both employees checked for the two periods both correct in IFCA records PAYE calculations agreed to summaries and payslips.</p> <p>Existence of employees confirmed by contracts.</p> <p>The employees' gross pay agreed to the pay scales stipulated in their contract. NI calculations confirmed accurate amounts are deducted from the employees payslips.</p> | <p>Acceptable</p> |
| <p>H. Asset and investments registers were complete and accurate and properly maintained</p> | <p>Vessels are the most significant assets, followed by Vehicles. Workboat certificate for the Three Counties vessel seen during the audit expired in February 2015 and although staff confirmed that a new certificate was in place, it had not been received by the Finance team (6).</p> <p>The corporate asset register is only formally updated on an annual basis even though significant items may be purchased or sold throughout the year (7).</p> <p><u>Recommendation</u></p> <p>All current workboat certificates should be held centrally and sent to the main office timely once it has been issued. The asset register should be updated as and when additional assets are purchased.</p> | <p>Acceptable</p> |

| Internal control objectives | Extent of Coverage / Comments | Opinion |
|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|
| | <p><u>Agreed Action Plan</u></p> <p>Assets are recorded and reported quarterly. Confirmation received from the Head of Finance that insurers are notified on acquisition of asset.</p> | |
| <p>I. Periodic and year end bank account reconciliations were properly carried out</p> | <p>The end of year bank reconciliation was checked by the Head of Finance.</p> <p>At the time of the audit visit bank reconciliations had not been completed on a monthly basis since December 2014, because the Head of Finance has been on sick leave. However these were completed following the audit and an electronic copy sent to the Auditor as evidence (8).</p> <p>One stale cheque had been included in the accounts and had not been dealt with in a timely manner (9).</p> <p>No independent checks have been completed on monthly bank reconciliations during the period April 2014 to March 2015. This increases the risk of fraud. This finding was also raised in our audit report for 2013/14 and an action plan had been agreed to ensure reconciliations were independently checked and signed by the Chair or Vice Chair of the Statutory Board on a regular timely basis (10).</p> <p><u>Recommendation</u></p> <p>Bank Reconciliations to be completed on a monthly basis and independently checked and signed by the Chair or Vice Chair of the Statutory Board on a regular timely basis. All stale cheques should be dealt with in a timely manner.</p> <p><u>Agreed Action Plan</u></p> <p>The end of year bank reconciliation was checked by the Head of Finance.</p> | <p>Acceptable</p> |
| <p>J. Accounting statements prepared during the year were prepared on</p> | <p>Accounts are prepared on a quarterly basis to report the income and expenditure to the Finance and Personnel committee and the full board.</p> | <p>Acceptable</p> |

| Internal control objectives | Extent of Coverage / Comments | Opinion |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| <p>the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, and, where appropriate, debtors and creditors were properly recorded</p> | <p>There is a deadline of 30th June to complete the final accounts for the previous year as per 4.2 of the financial regulations. At the time of the audit the year end accounts had not been produced. However the January management accounts were checked back to supporting documentation and the debtors and creditors figures were correctly recorded.</p> | |

Vision

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**Action Item 10****EIFCA - Finance and Personnel Sub Committee 15th October 2015****Review of Expenses Policy**

Report by: Andrew Bakewell, Head of Finance

Purpose of report

To introduce some minor changes to the EIFCA expenses policy to streamline and simplify the process.

Methodology

A simple review of the previous policy identifying the areas responsible for consuming resource and causing the most frustrations.

Recommendations

Members are asked to endorse the minor changes to the policy.

Background

Expenses can become a contentious issue, particularly where policies are inflexible and dogmatic. Most expenses are straightforward and simple to administer, however exceptions are by their very nature prone to difficulties. The proposed changes should eliminate many of the exceptions and provide a "fit for purpose" policy.

Financial implications

Any increases in accommodation costs should be more than offset by the reduced time spent in administration.

Conclusion

Proposed policy is easy to understand and administer and would appear to adequately cater for most situations.



Employee Expense Claim Procedure

Introduction

The Authority recognises that from time to time an employee may incur expenses over and above what would be deemed as reasonable when carrying out their duties. This policy sets out the guidelines as to when a claim for expenses can be made. If an employee is in any doubt **not sure** whether they will be able to make a claim in a particular situation, they should **ask** before **they incur any** expense. Failure to obtain pre-approval may result in expense claims being refused. The Authority recognises that these guidelines will apply to the majority of situations but accepts that extraordinary circumstances may arise, in those situations please make every effort to seek guidance/approval from your line manager or an executive.

General

All claims for reimbursement of expenses should be made using the Authority's expense form which must be fully completed and authorised by your Line Manager prior to submission, expense forms must be submitted within two months of the expense to be eligible for re-imburement. All expenses claimed (other than those captive at sea) must be accompanied by a valid, dated receipt. Payment will not normally be made without an appropriate receipt except in extraordinary circumstances.

Rates specified for breakfast and evening meal fall within the scope of tax free allowances as agreed with HMRC. Expenses for these meals will be reimbursed up to a maximum of the specified rate regardless of actual spend.

The overnight allowance is set by the Joint Council for Local Government Services.

Your fixed centre is defined as follows:

- For all Area IFCO's – Permanent home address
- For all other employees – Authority's office at Kings Lynn, vessel or permanent mooring

All other reasonable ad hoc expenses not specified below will be considered for reimbursement only if your Line Manager has authorised it **prior** to the expense being incurred.

Payment of authorised expenses will be through BACS.

The falsification of expense claims will be treated as an act of gross misconduct and under the Authority's disciplinary procedure, may lead to an employee being summarily dismissed.

Overnight allowance – vessels only

For employees who are considered as being held in captive employment at sea away from their fixed place of work.

Overnight allowance will be paid to employees who have been required to sleep on board while at sea. The current Joint Council for Local Government Services rate for overnight allowance is £32.94. This allowance will be administered through payroll one month in arrears, so will not need to be included on an expense claim form.

In addition, the current meal allowances for breakfast, lunch and evening meal will be paid in these circumstances in accordance with these policy guidelines.

Overnight allowance – other circumstances

Separate to the above, the overnight allowance will be payable when you are required to work for a continuous period of 4 hours or more between 10.00pm and 4.00am.

Meals

- Breakfast can be claimed when you are required to leave your fixed centre before 7.30am. Current HMRC dispensation allowance is £6.41
- Evening meal can be claimed when you are required to be absent from your fixed centre after 8.30pm. Current HMRC dispensation allowance is £10.92.

Breakfast and evening meal costs will only be reimbursed up to the HMRC agreed amounts and only when an employee has worked for a continuous period covering hours either before 7.30am or after 8.30pm. In usual circumstances we expect breakfasts to be taken before 11.30am and evening meals taken after 8.30pm.

For example:

Employee A's shift commenced at 2.00pm and finished at 10.00pm. They would be entitled to have the cost of their evening meal reimbursed up to £10.92

Employee B's shift commenced at 2.00pm and finished at 10.00pm, however due to the nature of their duties this day did not work between 5.00pm and 8.00pm. They would not be entitled to claim for an evening meal.

In addition to the above, lunch cost up to the current HMRC dispensation allowance of £8.81 will only be reimbursed by the Authority where an employee starts their day from being held in captive employment away from their fixed place of work. Lunch expenses will not usually be paid when an employee completes their duties before 2.30pm on their final day of 'captive'.

For example:

Employee A boarded the vessel at 8.00am on Monday and was held in captive employment at sea until the vessel returned to the permanent mooring at 1pm on Thursday. Employee A would be entitled to claim for lunch for the Tuesday & Wednesday only, as they were not held at sea until Monday evening and they returned to the permanent mooring before 2.30pm.

Employee B attended a residential training course from commencing at 9.00am on Monday to 4.00pm on Wednesday. Lunch was not provided for by the tutor. Employee B would be entitled to claim for lunch for the Tuesday and Wednesday only.

Reimbursement of reasonable evening meal expenses over £10.92 will be considered for employees who are required to attend residential training courses or a business conference by **prior** approval by your Line Manager. A ceiling of £20 per person will usually be applied .

No expenses will be reimbursed for alcoholic drinks.

Telephone calls

For any employee not in possession of an Authority mobile phone and who cannot make a business call from the Authority's office in Kings Lynn or either vessel, then your Line Manager will arrange a prefix to use when using a private phone for such business calls only. If for any reason the issued prefix is not compatible with your phone line provider, then any business call will be reimbursed upon production of an itemised phone bill.

Accommodation

Accommodation can be booked by an individual employee by:

- Through an approved booking agent (Travelodge / Premier Inn)**1,
- Where none of the above are applicable, at a facility of the employees' choice.**2

****1 The following may be pre-booked on the Authority account:**

Room
Breakfast
Parking
Wi-fi

****2 Approval Limits**

Overnight accommodation outside London £75.00 per night
London rate £95.00 per night
Breakfast £6.41
Evening meal £10.92

Travel

Train ticket bookings should be made through the Authority's Admin & Procurement employee. You should ensure that any requests for train tickets are

made with as much prior notice as possible to ensure tickets can be posted and received before date of travel.

Expenses will not normally be paid to any employee if accommodation or tickets are booked by means other than those described above.

Exceptions

In the event that compliance with the guidelines is not possible please seek guidance/approval from your Line Manager or Executive for approval for an appropriate alternative solution.

Vision

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Action Item 11

Finance & Personnel Sub-Committee meeting

15 October 2015

Report by: Julian Gregory, Acting CEO

Marine Protection Review

Purpose of report

To provide members with an update of the review of Marine Enforcement function project currently being undertaken by officers and too seek approval to close the project and to incorporate any further work in business as usual.

Recommendations

It is recommended that Members:

- **Note the contents of the report**
- **Approve the changes made to date**
- **Agree to close the review as a project and for on-going review to be incorporated in business as usual**

Background

The review of the Marine Protection function has effectively been on-going for some time and was formalised at the last meeting of the sub-group, with the establishment of a structured approach.

Members were advised that the objectives of the project were to complete a thorough review of the function by gathering evidence of current practice and understanding where there may be gaps in ways of working, IFCO competence or organisational design that are hindering the delivery of the function's objectives. The intention was to develop recommendations to be put to the Finance & Personnel Committee with regard to future ways of working and organisational design to deliver:

- Consistent, visible enforcement presence and stakeholder engagement, both at sea and ashore throughout the district
- Ability to develop and maintain comprehensive local knowledge within each of the 3 counties
- Directed, formalised and recorded activity which feeds intelligence gathering and district knowledge for the whole team
- Effective use of all sea-going assets
- A cohesive and flexible team based approach to the marine protection function
- Consistent and effective leadership and line management of all Officers

The project was planned to incorporate two phase:

Phase 1 – DCEO adopts district wide agile role for 6 month trial period to:

- Embed commonality in IFCO standards and practices
- Assess individual officer competence
- Routinely provide Executive presence amongst stakeholders

Phase 2 – recommendations to any amendment or revision of marine protection operational design to include output of Phase 1 and:

- Review of IFCO job titles
- Review of IFCO deployment design (review of Area officer construct)
- Review of balance between Protection sea based patrol and Protection support of Research sea based activity
- Review of IFCO basing/accommodation
- Review of Patrol vessel employment/basing

The timescales for the project envisaged completion of phase 1 in time for the F&P sub-committee meeting in October 2015. Final recommendations were scheduled to be made to the January 2016 meeting of the F&P sub-committee.

Update

Implementation of phase 1 was delayed to early May 2015 due to other work demands. It effectively concluded in late July 2015 as a consequence of annual leave and the impending departure of the CEO on secondment to the MMO with effect from 1st September 2015. The effect of this was that the DCEO was only able to adopt the district wide agile role for a period of three months as opposed to the planned six months.

Whilst phase 1 was effectively halved in terms of the change in role for the DCEO, it is judged that the approach quickly brought benefits as a consequence of the DCEO having a higher profile visible presence throughout the district. Examples include stakeholder engagement (N. Norfolk crab and lobster fishers, Suffolk whelk fishers), leading in enforcement activity (Wash cockle fishery, bass landings transgression, whelk landings transgressions) and presence at sea in order to assess and develop working practices.

During this time there have also been developments in the ways of working for the enforcement team. These have primarily focussed upon the tasking and co-ordinating process, which have seen the introduction of a more coherent monthly assessment of risk and clearer direction for officers. This has included a radical change to the way in which patrols are planned and reported on, which has had the effect of improving accountability and effectiveness.

As a consequence of knowledge gleaned during phase 1 and the then impending delivery of *FPV Sebastian Terelinck*, it was determined that the roles of the two Skippers should be revised. The two roles appear to have previously evolved in order to meet the previous organisational requirements for identifiable vessel Skippers, with wider line management responsibilities appearing to have been a lower priority.

Given the change to smaller enforcement vessels and the greater emphasis on the role of line manager and leader the two roles have been temporarily realigned on a trial basis and have been re-designated as Senior IFCO (Compliance) and Senior IFCO (Marine). The duties are set out in Appendix A but in short the changes put primacy for leadership of enforcement with one officer and primacy for leadership in relation to vessels and marine operations with the other officer. The overall objective is to provide clarity and to improve management resilience.

The changes in management arrangements and working processes have had the intended effect of providing enhanced direction and oversight of all Marine Protection officers and in particular the area based officers. To complement this, the recent office upgrade created space for the Lincolnshire officer to be accommodated, thereby

removing the anomaly of having an officer based at his home, which is close to the Kings Lynn office.

Current Position

The changes made to the role of the DCEO have been through proof of concept and it is intended that they will endure into the future. The CEO and Chair expressed a desire for the acting CEO to maintain the district wide agile role whilst undertaking the role of acting CEO, however, it is likely that the additional workload involved will make this more difficult and this inevitably means that the review will not make progress as originally planned.

The changes made to the two line management roles are judged to be the right way forward and they are temporary only on the basis of being a proof of concept as opposed to being experimental. This combined with the changes in working practices and the impetus achieved during phase 1 has undoubtedly had a significant impact and mean that the function is well placed for the future.

Future Development

The context within which the review is being undertaken is an important factor. There is a clear agenda for developing close joint working arrangements between IFCAs and the MMO in a climate of austerity and a clear appetite for change from Defra. This has been formalised in a joint response from the IFCA Chief Officer Group and CEO of the MMO to a request from Defra to consider options to improve effectiveness and efficiency. The acting CEO and the CEO are closely involved in this work, the former as the Chair of NIMEG and the later in his role as Director of Operations with the MMO.

This agenda for ever closer working with the MMO combined with such developments as CFP reform and the likely widening of the IFCA remit is likely to influence the final outcome of the review. An example of how this may have an impact is the advent of joint tasking combined with the potential for shared accommodation in the MMO office at Lowestoft and the introduction of Eastern IFCAs new enforcement vessel at Lowestoft, which may influence the future design of the Marine Protection function.

The respective roles of the acting CEO and the CEO mean that Eastern IFCA is well placed to incorporate national developments into the work of Eastern IFCA at an early stage.

Conclusion

Whilst the review has not progressed as originally intended there has been a step change as a direct consequence of what has been achieved. This in itself supports the judgment that the inputs to date have been the right ones and this combined with the rapidly changing context means that the way forward is likely to be on an iterative basis as opposed to a more formalised plan. On this basis it is proposed to conclude the Marine Protection Review as a formal project and instead to develop and implement any further changes as part of normal management practice.

Appendix A

Marine Protection Management Roles

D/CEO

- Oversight/responsibility for all Marine Protection functions including fisheries and marine conservation regulation, compliance and vessel operations
- Strategic direction and guidance
- Leadership and direction of operational output
- Review/development of function
- Operational standards
 - Compliance activity
 - Vessel operations
- Executive representation/stakeholder engagement throughout the district
- Line management of Senior IFCOs
- Vessel skipper

Senior IFCO (Compliance)

- Enforcement team leader
- Operational enforcement lead officer
- Management and delivery of enforcement operational output, including:
 - Enforcement prioritisation/processes
 - Seaborne patrols and monitoring (including electronic equipment policy and process)
 - Boarding operations and inspections
 - Shore based patrols and inspections
 - Information and intelligence management
 - Equipment (maintenance, calibration etc.)
- Enforcement training lead
- Duties planning and co-ordination
- Area Officers and Project Officer line management
- Vessel skipper

Senior IFCO (Marine)

- Enforcement team leader
- Vessel operations lead officer
- Management and delivery of vessel operations, including
 - Enforcement patrols
 - Research activity
- Maintaining operational readiness of all vessels, including:
 - Survey/coding
 - Maintenance and cleaning
 - Research and enforcement capability e.g. research from patrol vessels; pot-hauling etc.
- Moorings – maintenance and operation
- Marine training lead
- Mates, Engineer and Crew line management
- Vessel skipper

Vision

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Information Item 15

Finance & personnel Sub-Committee Meeting

15 October 2015

Report by: Nichola Freer, Head of 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**

Report

Background

The Head of HR took up post in 2012 and developed a 3 year strategic plan of the key HR activity required to support the achievement of Defra's high level objectives. This plan has been successfully delivered and as such a further strategic plan has been developed during quarter one of this year to support the delivery of required HR activity to 2018. This report gives an overview of current activity in support of this plan.

Update of specific activity

Development of line management capability

Line Managers and Executive Officers recently attended a time-management course specifically aimed at maximising time and performance for managers. This is an area that had previously been highlighted by line managers as one they required further development of. The workshop has received positive feedback and has provided the necessary tools / models for our managers to operate effectively in this area.

Our two senior marine protection officers also attended a practical workshop that focussed on providing a suite of tools and supporting guidance with regard to managing particularly difficult employees. Both officers have fed back that this course has given them the confidence to effectively deal with future situations concerning their people.

Recruitment activity

Since the last HR update in June 2015, one of our marine environment officers, Daniel Steadman, tendered his resignation and left the Authority at the beginning of September 2015. We are however, pleased to confirm that Greg Brown has been successfully appointed to fill this vacancy. Greg joined the Authority on 5 October 2015.

Members were informed in the previous update that Laura Rutland, a former temporary employee within the research department and EIFCA volunteer, had taken up a temporary position within the research team, following the departure of one of their Officers. This position has now been reviewed and we are pleased to confirm that this role has now been made permanent.

Volunteer Internship

A voluntary placement has been agreed to support a second year Geography student from Sheffield Hallam University. The student, Henry Fenn, will join us in October 2015 for approximately 36 weeks and will be completing a project concerning the economic value and economic potential of the fisheries within our district.

Grant application update

Following Eastern IFCA's bid for £30,000 of Defra's funds towards the 'fisheries in MPAs' project deadline; we are pleased to confirm that we have secured £27,223. Judith Stoutt, Senior Marine Environment Officer is currently in discussions with various contacts to source the most appropriate support to aid the completion of the MPA project.

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Information Item 16

15th October 2015

Finance & Personnel Sub-Committee

Office Accommodation update

Report by: Andrew Bakewell – Head of Finance

Purpose of report

To update members on progress to date on the office upgrade project, including: -

- Estimate of total cost
- Available budgets

Recommendations

Members are asked to note the report.

Background

An earlier project to relocate to new premises to secure extra space and functionality proved ultimately to not achieve the original objectives and involve substantial additional cost to the authority. In the meantime it has also become clear that it is not the most appropriate time for a move or a commitment to a longer term arrangement. A decision was taken to stay in our current accommodation and spend a more modest sum on upgrading the facilities.

Actions

Officers have undertaken the following: -

1. A re-design of the office layout to;
 - a. Locate all staff on one floor
 - b. Provide enhanced meeting facilities
 - c. Create "break-out" space
2. Improve the working environment: -
 - a. Expand the kitchen
 - b. Improve the efficiency of the heating and lighting systems
3. Demonstrate commitment to the wellbeing of our staff.

Outcomes

The project is all but complete with just a few snagging points. The most significant hold-up is with BT who need to relocate some fibres before the computer cabinet can be moved downstairs and the reception move completed.

The offices are now re-designed with the Executives located together, the Research and Environment teams benefitting from a significant space increase,

Enforcement now located in the former meeting room and reception/support logically positioned at the top of the stairs. Downstairs now has a large meeting room and two small break out spaces.

Modern lighting has been added along with additional internal windows to improve light levels, air conditioning has replaced the inefficient storage heaters.

Costs

Spend so far:-

| | |
|-------------------------|-------------------------------------|
| Partitions and lighting | 16,000 |
| Air conditioning | 12,000 |
| Carpets | 4,000 |
| Decorating | 3,500* required by lease conditions |
| Contingencies | 2,500 |
| Total | 38,000 |

Budgets

| | |
|-----------------------|--------|
| Inc. in 15/16 | 25,000 |
| Office refurb reserve | 10,000 |

The balance of cost should be able to be accommodated within 15/16 revenue budgets without impacting on other reserves. The project should also yield savings on the authority's electric bill over the coming months and years.