



**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
27th June 2018**

**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: 27th June 2018

Time: 10.30 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 17th January 2018 – *Chair (pg 3)*
- 5 Matters Arising – *Clerk*
- 6 To receive a report on the Internal Audit for 2017/18 carried out by Norfolk Audit Services - *Hd Finance & HR (pg 9)*
- 7 To receive and approve the Statement of Accounts for the year ended 31 March 2018 – *Hd Finance & HR (pg 10)*
- 8 2018/19 Budget update – *Hd Finance & HR (pg 25)*
- 9 Review of authorised spending limits - *Hd Finance & HR (pg 28)*
- 10 Harmonisation of employment terms and conditions - *Hd Finance & HR (pg 30)*
- 11 Review of Roles, Responsibilities and Structure – *Hd Finance & HR (pg 34)*
- 12 I-VMS funding – *CEO (pg 40)*
- 13 *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*
- 14 Executive officer remuneration – *CEO (pg 44)*
- 15 Disciplinary case – *Hd Finance & HR (pg 47)*

Information Items

- 16 HR Update – *Hd Finance & HR (pg 56)*
- 17 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: 12th June 2018

"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".



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 17th January 2018 at 1030 hours.

Members Present:

Cllr D Collis	Chair – Norfolk County Council
Cllr P Coupland	Vice Chair Lincolnshire County Council
Cllr M Chenery of Horsbrugh	Norfolk County Council
Cllr M Vigo di Gallidoro	Suffolk County Council
Mr S Worrall	MMO Appointee

Eastern IFCA Officers Present:

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

F&P18/01 Welcome

The Chairman welcomed members to the meeting.

F&P18/02 Apologies for absence

Apologies for absence were received from Cllrs Price (NCC), and Skinner (LCC), and Mr Bolt (MMO Appointee).

F&P18/03 Declarations of Members Interest.

There were no Declarations of Interest.

F&P18/04 Minutes of the Finance and Personnel Sub-committee meeting held on 11th October 2017

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

Proposed: Mr Worrall

Seconded: Cllr Chenery of Horsbrugh

F&P18/05 Matters Arising:

There were no matters arising but the CEO updated members on the progress to redesign current posts, advising this had been delayed due to the revised Data Protection Regulations, as there may be a need to encompass this in to a revised role.

F&P18/06 Provisional budget for the period 1 April 2018 to 31 March 2019

The Head of Finance & HR advised members that this was a repeat of the information provided in October with amendments having been made to take account of actual expenditure figures to date. Consequently, the proposed budget was changed to reflect these figures.

The current projection for 2017/2018 was indicating a saving of £159k, however, members were advised that with the pending delivery of a new RIB and the purchase of a replacement Sonde the actual underspend was more likely to be around £70k.

Cllr Collis queried where the new RIB would be operating, he was advised it would be onboard Three Counties to replace the RIB which been damaged in 2016, it would also be capable of independent operations if required. Purchase of the replacement RIB had been delayed whilst European Maritime Fisheries Funding was secured. EIFCA had been granted £35k towards the cost of the vessel.

Members were advised the proposed 2% increase in the budget had been discussed with representatives for the County Councils' Finance Departments.

Members discussed the proposed budget, during which purchase of vehicles was considered and the benefits of having a modern fleet in terms of fuel economy and cheaper maintenance costs. It was questioned whether an additional vehicle would have to be purchased for the Head of Operations, this would not be necessary as there was a vehicle available should the option be taken up by the Head of Operations.

Cllr Coupland expressed concern at the potential lack of New Burden Funding after 2020. The CEO advised that whilst NB Funding was only guaranteed up to 2020 he was hopeful there would be something to replace it, particularly as 'New Burdens' were now common practice within the role of IFCAS, therefore the work would need to continue. Mr Worrall felt the potential additional roles after Brexit should prove to strengthen IFCAs case.

Having considered the Provisional Budget Members Resolved to note and Agree the Provisional Estimates of Expenditure for 2018/2019.

Proposed: Mr Worrall

Seconded: Cllr Vigo di Gallidoro

All Agreed.

F&P18/07 Provisional forecasts of estimates for expenditure for the period 1 April 2018 to 31 March 2023

The Head of Finance & HR advised this was a matter of rolling forward the headline numbers for the proposed budget. The forecast also

showed a 2% increase each year, however there was no firm commitment to this going forward so the forecasts could change. The provisional figures also gave an overview of the affect it would have on the County Councils if New Burden funding was to cease after 2020. Members were reminded that the forecasts were never exact but gave an indication of how the expenditure would go in the following years.

Councillor Coupland was reasonably content with the proposed budget to the end of 2020, however from that point on he felt it was difficult to look forward, he remained concerned that at this point there would be less funding from Central Government and it would fall to the local County Councils to make up the shortfall.

Having considered the paper, Members Resolved to note and Agree to the Forecast of Expenditure for the period 1st April 2019 to 31st March 2023.

Proposed: Mr Worrall

Seconded: Cllr Vigo di Gallidoro

All Agreed

F&P18/08 Confirmation of Appointments

Members were advised that it had been custom and practice to refer confirmation of permanent appointment to the F&P Sub-Committee. However due to the timing of these meetings there was a tendency for decisions to be delayed.

Most of the responsibilities for recruiting staff were already delegated to the CEO and with a 6 month probationary system in place, it was felt that should a member of staff satisfactorily complete that probation period the CEO would be able to confirm progression to permanent staff.

The Chairman advised that he had spoken to the CEO with regard to this matter and was content with this arrangement with the proviso that the sub-committee were kept apprised of such events through the HR Report which was made at each meeting.

Members discussed the recruitment process for general positions and the difference for recruitment of a CEO. It was noted that in the event of the CEO resigning the recruitment process would be administered by the HR Officer but overseen by the Chair and Vice-Chair of the F&P sub-Committee.

Staff turnover was also discussed as well as the outstanding number of applications which were received from Marine Science Graduates.

Members Agreed that the authority to confirm permanent appointments be delegated to the CEO.

Proposed: Cllr Chenery of Horsbrugh

Seconded: Mr Worrall

All Agreed

F&P18/09 *Members Resolved that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for*

item 10 on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 1 of Schedule 12A of the Act.

Proposed: Cllr Chenery of Horsbrugh

Seconded: Mr Worrall

All Agreed

F&P18/10 Disciplinary Case

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

Members were reminded that a case had been heard the previous August, which was followed by an appeal. The outcome of the appeal being to uphold the original decision. Subsequently correspondence had been received from ACAS in an attempt to conciliate prior to tribunal involvement. Having received and rejected a settlement offer from the dismissed Officer we received notification from ACAS that an ET1 (request for a tribunal hearing) had been made. The matter was passed to nplaw, to deal with on behalf of EIFCA, who were confident the Authority had a strong case for the decision that was reached, and that the process had been followed appropriately.

Members were advised that should the matter go to tribunal there would be a cost implication and depending on the level of costs involved the decision may be made to pay a smaller amount as a settlement. Whilst in principle this would not be ideal, there was a need to be mindful of cost implications and resources.

It was anticipated that should the matter go to tribunal it would not be for several months.

Councillor Coupland requested that the Chair and Vice-Chair of the Authority be updated throughout the process.

Members Resolved to:

Note the actions taken to date

Agree that the case continued to be managed by nplaw

Agree that the claim for compensation and a positive reference be defended

Agree to delegate decision making on the case to the Chair and Vice-Chair of the Finance & Personnel Sub-committee, together with the CEO.

Agree that the Chair and Vice Chair of the Finance & Personnel Sub-Committee were advised of any updates as they were received.

Proposed: Mr Worrall

Seconded: Cllr Chenery

All Agreed

F&P18/11 HR Update

This report provided an update on what had been going on in HR since the last meeting and what would be focused on during 2018.

- As the current Performance Review Process was considered to be a very prescriptive and onerous task it was intended this would be replaced with an ongoing process, rather than being applied on set dates.
- Harmonisation of contracts was being considered.
- Employee engagement would continue, as it was felt important to ensure staff were happy in their work.

- Recruitment Update:

Following a second round of interviews a candidate for the position of Head of Operations had been identified and recruited, he would take up the post early in March.

Recruitment had also taken place for the vacant IFCO post. This would initially be based in King's Lynn. The successful candidate had both enforcement and seagoing experience as well as being a Recreational Sea Angler.

Both of these candidates had agreed to take time out from their current employment to attend the week long enforcement course in Torquay, at the end of January.

- Permanent Appointment:
Having successfully completed their probationary periods both Samantha Hornbrey (Marine Science Officer) and Charlotte Siely (IFCO) had been wholeheartedly accepted by both management and colleagues, and their positions were confirmed as permanent.

Members Resolved to note the content of the report and welcome the two new permanent members of staff.

Proposed: Cllr Vigo di Galidoro

Seconded: Mr Worrall

All Agreed

There were no Matters of Urgency, the meeting closed at 1132 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



Action Item 6

Finance & Personnel Sub-Committee

27th June 2018

Report on the Internal Audit for 2017/2018

Report by: Andrew Bakewell – Head of Finance

Purpose of report

It is an Authority Requirement that the result of the Annual Internal Audit is reported to members of the Finance & Personnel Sub-Committee.

Recommendations

Members are asked to:

- **Note** the content of the report.

Background

The 2017/2018 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 awaited.

Although it is no longer a statutory requirement, for continued reassurance and as last year PKF Littlejohn have been engaged to review the small bodies return at the same fee as previously charged (£2,000).

Norfolk Audit Services have yet to forward the Audit report. It is hoped it will be available to table at the meeting.

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 7

Finance & Personnel Sub-Committee

Statement of Accounts for Eastern Inshore Fisheries & Conservation Authority for the year ended 31st March 2018

Report by: Andrew Bakewell – Head of Finance & HR

Purpose of report

To present the annual statement of accounts for the year ended 31st March 2018 and the Joint Committees Annual Return prepared for external examination by PKF Littlejohn for certification and later submission to the full authority.

Recommendations

Members are asked to:

1. **Approve** the Annual Governance Statement.
2. **Approve** the Statement of Accounts prior to submission to the full authority Meeting on 18th July 2018.
3. **Authorise** the Chairman and Chief Executive to sign the Annual Return before submission to the auditors for review.
4. **Authorise** in accordance with the Authority's Financial Regulation 3.4, transfers of funds to and from 'ear-marked' reserves as outlined in the foreword (page).

Appendices

Appendix A - Eastern Inshore Fisheries & Conservation Authority Statement of Accounts for the year ended 31st March 2018 (attached)

Appendix B - Uncertified Joint Committees Annual Return and requested supporting documents (copy attached).

Appendix A

EASTERN INSHORE FISHERIES AND CONSERVATION AUTHORITY

Statement of Accounts for the year ended 31st March 2018

Foreword

The Accounts and Audit (England) Regulations 2015 have classified Eastern Inshore Fisheries and Conservation Authority as a “smaller relevant body”.

The Account statements are centred on the Audit Commission Small Bodies Annual Return, which is completed and certified on the day the accounts are approved, in this case 27th June 2018. A copy of the return is attached for your information.

The accounting statements forming the basis of the return are:

1. The Income and Expenditure Account for the year ended 31st March 2018
2. The Balance sheet as at 31st March 2018.
3. A statement detailing movement on reserves.

This is the list of the funds held in “ear-marked” reserves and monies managed by the Authority belonging to the Wash Fishery Order and Wash and North Norfolk Coast European Marine Site Project Funds.

4. A schedule of Fixed Assets held at 31st March 2018. Fixed Assets are valued at cost with no allowance for depreciation. By this method the “book value” of fixed assets remains constant until disposed of.
5. Notes relevant to the above statements.

2017/2018 Out-turn

The table below shows a comparison of Actual results with the 2017/18 Budget analysed under the main budget headings.

	2017/18 Budget	2017/18 Actual
	£	£
Salaries	995,403	901,273
General Expenditure	201,535	220,717
<u>Departmental Operational Costs</u>		
Communication and Development	4,000	371
Enforcement	17,500	18,270
Marine Science	8,000	4,165
Moorings and Harbour Dues	5,500	10,448
Three Counties	94,250	76,924
John Allen/Sebastian Terelinck	45,500	18,892
Seaspray	10,500	283
Vehicles	24,500	22,862
Assets		115,209
TOTAL EXPENDITURE	1,406,688	1,389,414
<u>INCOME</u>		
Miscellaneous Income	60,000	46,047
TOTAL INCOME	60,000	46,047
EXPENDITURE less INCOME	1,346,688	1,343,367

Consolidated Balance Sheet at 31st March 2018

31/3/2017		31/3/2018
£	CURRENT ASSETS	£

44,532	Debtors	25,929
	Treasury Deposit	
574,995	Suffolk County Council Deposit	576,941
1,489,101	Cash at bank	2,919,454
168	Cash in hand	49
	CURRENT LIABILITIES	
-43,397	Creditors	-1,391,812
2,065,399	NET ASSETS	2,130,561
	EAR-MARKED RESERVES	
10,000	ICT Fund	10,000
	IVMS Fund	30,000
18,750	Fixed Penalty Fund	21,750
75,000	Legal and Enforcement Fund	75,000
10,000	Office Improvement Fund	10,000
150,000	Operational Fund	150,000
89,921	Research Fund	78,169
60,000	Vehicles Renewal Fund	60,000
18,292	Environment Grants	18,292
	Vessel Contingency Fund	
1,447,664	Vessel Replacement Fund	1,506,105
114,275	Wash Fishery Order Fund	119,860
71,497	Wash and North Norfolk Project Fund	51,385
2,065,399		2,130,561

Reconciliation between Box 7 and Box 8 in Section 1 (31/03/2018)

Name of small relevant body: **Eastern Inshore Fisheries and Conservation Authority**

		£	£
Box 7: Balances carried forward (31/03/2018)			2,130,561
Deduct:	Debtors	4,758	
	- HMRC	21,171	
Payments in advance			
	- Defra Grant (IVMS)		
Total deductions			(25,929)
Add:	Creditors	1,391,812	
Total additions			1,391,812
Total cash and short term investments			3,496,444

EASTERN INSHORE FISHERIES AND CONSERVATION AUTHORITY

Income and Expenditure Account for the year ended 31st March 2018

2016-2017			2017 - 2018		
£	£	<u>INCOME</u>	£	£	£
996,925		Levies	996,925		
394,145		New Burden Funding	394,145		

1,250	Fines	3,000	
	Interest	4,093	
<u>57,637</u>	Miscellaneous income	<u>38,994</u>	
1,449,957	sub-total		1,437,157
	Grants (IVMS)	30,000	30,000
3,096	Vessel Replacement Fund	1,946	
8,700	Wash Fishery Order	8,550	
<u>32,955</u>	Wash & North Norfolk Project Fund	<u>30,449</u>	
44,751	sub-total		40,945
<u>1,494,708</u>	TOTAL INCOME		1,508,102
<u>EXPENDITURE</u>			
850,402	Salaries	901,273	
224,179	General expenditure	220,717	
1,564	Communication and Development	371	
6,998	Research and Environment	4,165	
12,519	Enforcement	18,270	
3,885	Moorings and Harbour dues	10,448	
23,194	Seaspray	283	
82,556	Three Counties operating costs	76,924	
38,832	John Allen & Sebastian Terelinck	18,892	
30,977	Vehicles operating costs	22,862	
<u>6,960</u>	Asset purchases	<u>115,209</u>	
1,281,976	sub-total		1,389,414
12,998	Wash Fishery Order Fund	2,965	
<u>29,961</u>	Wash & North Norfolk Project Fund	<u>50,561</u>	
39,959	sub-total		53,526
<u>1,321,925</u>	TOTAL EXPENDITURE		1,442,940
172,783	INCOME less EXPENDITURE		65,162

Notes – Surplus for the year of £ 335,162 arose as follows:

- Salary savings £94,130
 - Vacancy management savings coupled with a structure change partially offset by a £26,000 invoice for “salary strain” from Norfolk Pension Fund
- General Expenditure overspend £(19,182)

- Training spend was £17,282 over budget as a result of new starters and general upskilling other modest overspends made up the balance.
- Operations savings £ 6,694
 - Reduced spend on Communication and Development £3,629 and Marine Science underspends £3,835 offset by a small overspend in Marine Protection of £(770).
- Vessels & vehicles savings £50,841
 - Three Counties maintenance £20,875 under budget, other vessels £36,825 under budget (John Allen out of service for part of the year) and vehicles savings of £1,638 offset in small part by Moorings overspend of £(4,948) which includes purchase and siting of a storage container.
- Assets purchased £115,209
 - Seaspray (Pisces replacement) £59,370, fleet replacements £40,752, Sonde for Marine Science £11,752 and £3,335 on IT equipment. (Note Seaspray cost is before receipt of EMFF grant of £35,000)
- Miscellaneous income was £12,000 less than anticipated mainly due to deferring fee increases.
- Income includes £30,000 being 10% of Defra grant (£300,000) for National IVMS project held on behalf of all IFCAs.

Statement of movement in reserves

	opening	used	added	reallocated	closing
ICT Fund	10,000	-3,335	3,335		10,000
F.A.P.	18,750		3,000		21,750
Legal Fund	75,000				75,000
Office refurbishment	10,000				10,000
Operational Fund	150,000				150,000

Research Fund	89,921	-11,752			78,169
Vehicle replacement	60,000	-40,752	40,752		60,000
Vessel replacement	1,447,664	-59,370	106,059	11,752	1,506,105
Wash Fishery Order	114,275		5,585		119,860
WNNC-EMS	71,497	-20,112			51,385
IVMS (10%)			30,000		30,000
Grants	18,292				18,292
Total	2,065,399	-135,321	188,731	11,752	2,130,561

Notes

Movement in reserves are treated as follows with the cost of asset/use of reserve shown as a reduction then replenished from surpluses to re-instate. The exceptions being movements in non-discretionary reserves (FAP, WFO and WNNC) and on this occasion reallocating the sonde cost to vessel replacement. All other surplus is directed to Vessel replacement.

EASTERN INSHORE FISHERIES AND CONSERVATION AUTHORITY

FIXED ASSET REGISTER as at 31/03/2018

Acquired	Description	Supplier	Cost £
31/07/2002	RV Three Counties		914,560.00
01/01/2017	Conchita		5,000.00
01/09/2015	Sebastian Terelinck	Redbay	415,188.00
25/04/2013	John Allen	Redbay	144,349.00
12/02/2018	Seaspray 2	Humber	50,546.00
12/02/2018	Seaspray 2 "extras"	Humber	8,592.00
			<hr/> 1,538,235.00
01/04/2013	Sidescan sonar		53,815.00
01/06/2013	Imaging software		13,343.00

13/06/2013	Underwater camera		28,770.00
30/04/2013	Videoray		11,108.00
12/02/2018	Sonde	Xylem	11,753.00
			118,789.00
20/10/2015	Isuzu D-Max	FX65UXP	17,978.00
21/07/2014	Skoda Yeti 4x4	AJ14NHL	20,350.00
01/08/2014	Skoda Yeti Greenline	AJ14NHM	18,095.00
01/08/2014	Skoda Yeti Greenline	AJ14NHN	18,095.00
18/08/2016	Ford Tourneo	EP16DRO	16,851.00
31/12/2008	Peugeot 308SW	AM58SRO	13,500.00
17/12/2009	Peugeot 207SW	AD59NNO	11,990.00
17/12/2009	Peugeot 207SW	AD59NNP	11,990.00
26/05/2017	Skoda Yeti	AK17EVU	13,909.00
26/05/2017	Skoda Yeti	AK17EWA	16,628.00
26/05/2017	Skoda Fabia	AK17EVW	10,215.00
			<hr/>
			169,601.00
	Total Fixed Assets		1,826,625.00

Appendix B

Joint Committees

Annual return for the financial year ended 31 March 2018

The annual return on pages 2 to 5 is made up of four sections:

- Sections 1 and 2 are completed by the person nominated by the Joint Committee.
- Section 3 is completed by the PKF Littlejohn LLP as the reviewer appointed by the Joint Committee.
- Section 4 is completed by the Joint Committee's internal audit provider.

Completing your annual return

Guidance notes, including a completion checklist, are provided on page 6 and at relevant points in the annual return.

Complete all sections highlighted in red. Do not leave any red box blank. Incomplete or incorrect returns require additional work and so may incur additional costs.

Send the annual return, together with your bank reconciliation as at 31 March 2018, an explanation of any significant year on year variances in the accounting statements and any additional information requested, to us, PKF Littlejohn LLP, by the due date.

We will identify and ask for any additional documents needed for our work. Therefore, unless requested, do not send any original financial records.

Once we have completed our work, certified annual returns will be returned to the Joint Committee.

It should not be necessary for you to contact us for guidance.

Additional information can be found on our website using the following link (<https://www.pkf-littlejohn.com/joint-committees-independent-review>).

Section 1 – Annual governance statement 2017/18

We acknowledge as the members of

Enter name of reporting joint committee:

our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2018, that:

	Agreed –		Yes <small>(means that the joint committee)</small>
	Yes	No*	
1 We approved the accounting statements prepared in accordance with the guidance notes within this Annual Return.	Yes		prepared its accounting statements and approved them.
2 We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	Yes		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3 We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with generally accepted good practice that could have a significant financial effect on the ability of the joint committee to conduct its business or on its finances.	Yes		has only done what it has the legal power to do and has complied with generally accepted good practice.
4 We provided opportunity during the year for interested persons to inspect and ask questions about the accounts.	Yes		has given all persons interested the opportunity to inspect and ask questions about these joint committee accounts.
5 We carried out an assessment of the risks facing the joint committee and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	Yes		considered the financial and other risks it faces and has dealt with them properly.
6 We maintained throughout the year an adequate and effective system of internal audit of the joint committee's accounting records and control systems.	Yes		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of the joint committee.
7 We took appropriate action on all matters raised in reports from internal audit and external reviews.	Yes		responded to matters brought to its attention by internal and external reviewers.
8 We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the joint committee and where appropriate have included them in the accounting statements.	Yes		disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.

This annual governance statement is approved by the Joint Committee and recorded as minute reference

dated

Signed by:

Chair

dated

Signed by:

Clerk

dated

*Note: Please provide explanations on a separate sheet for each 'No' response. Describe how the joint committee will address the weaknesses identified.

Section 2 – Accounting statements 2017/18 for:

Enter name of reporting joint committee here:

Eastern Inshore Fisheries and Conservation Authority

	Year ending		Notes and guidance Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.
	31 March 2017 £	31 March 2018 £	
1 Balances brought forward	1,892,616	2,065,399	Total balances and reserves at the beginning of the year as recorded in the joint committee's financial records. Value must agree to Box 7 of previous year.
2 (+) Income from local taxation and/or levy	1,391,070	1,391,070	Total amount of local tax and/or levy received or receivable in the year including funding from a sponsoring joint committee. Excluding any grants received.
3 (+) Total other receipts	103,638	117,032	Total income or receipts as recorded in the cashbook less the taxation and/or levy (line 2). Include any grants received here.
4 (-) Staff costs	850,402	901,273	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5 (-) Loan interest/capital repayments	-	-	Total expenditure or payments of capital and interest made during the year on the joint committee's borrowings (if any).
6 (-) All other payments	471,523	541,667	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7 (=) Balances carried forward	2,065,399	2,130,561	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6)
8 Total cash and short term investments	2,064,264	3,496,444	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – to agree with bank reconciliation.
9 Total fixed assets plus other long term investments and assets	1,724,215	1,826,625	The original Asset and Investment Register value of all fixed assets, plus other long term assets owned by the joint committee as at 31 March
10 Total borrowings	-	-	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

I certify that for the year ended 31 March 2018 the accounting statements in this annual return present fairly the financial position of the Joint Committee and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:

Date

I confirm that these accounting statements were approved by the Joint Committee on:

and recorded as minute reference:

Signed by Chair of meeting approving these accounting statements:

Date

Section 4 – Annual internal audit report 2017/18 to

Enter name of reporting joint committee here:

Eastern Inshore Fisheries and Conservation Authority

The Joint Committee's internal audit service provider, 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 2018.

Internal audit has been carried out in accordance with the Joint Committee'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 Joint Committee.

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 Joint Committee's financial regulations have been met, payments were approved and VAT was appropriately accounted for.			
C. The Joint Committee 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 requirements 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 petty cash expenditure was approved and VAT appropriately accounted for.			
G. Salaries to employees and allowances to members were paid in accordance with the joint committee 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 Joint Committee (list any other risk areas below or on separate sheets if needed) adequate controls existed:

Name of person who carried out the internal audit:

Signature of person who carried out the internal audit:

Date:

*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).

Guidance notes on completing the 2017/18 annual return

1. Make sure that your annual return is complete (i.e. no empty red boxes), and is properly signed and dated. Avoid making any amendments to the completed return. But, if this is unavoidable, make sure the amendments are drawn to the attention of and approved by the joint committee, properly initialled and an explanation provided to us. Annual returns containing unapproved or unexplained amendments will be returned and may incur additional costs.
2. Use the checklist provided below. Use a second pair of eyes, perhaps a member or the Chair, to review your annual return for completeness before sending it to us.
3. Do not send us any information not specifically asked for. Doing so is not helpful. However, you must notify us of any change of Clerk, Responsible Financial Officer or Chair.
4. Make sure that the copy of the bank reconciliation which you send with the annual return covers all your bank accounts. If the joint committee holds any short-term investments, note their value on the bank reconciliation. We must be able to agree your bank reconciliation to Box 8 on the Accounting statements. You must provide an explanation for any difference between Box 7 and Box 8.
5. Explain fully significant variances in the accounting statements on page 3. Do not just send in a copy of your detailed accounting records instead of this explanation. We want to know that you understand the reasons for all variances. Include a complete analysis to support your explanation.
6. If we have to review unsolicited information, or receive an incomplete bank reconciliation, or you do not fully explain variances, this may incur additional costs for which we will make a charge.
7. Make sure that your accounting statements add up and the balance carried forward from the previous year (Box 7 of 2016) equals the balance brought forward in the current year (Box 1 of 2017).
8. Do not complete section 3. We will complete it at the conclusion of our work.

Completion checklist – 'No' answers mean you may not have met requirements		Done?
All sections	All red boxes have been completed?	
	All information requested has been sent with this annual return?	
Section 1	For any statement to which the response is 'no', an explanation is provided?	
Section 2	Approval by the joint committee confirmed by signature of Chair of meeting approving the accounting statements?	
	An explanation of significant variations from last year to this year is provided?	
	Bank reconciliation as at 31 March 2017 agrees to Box 8?	
	An explanation of any difference between Box 7 and Box 8 is provided?	
Section 4	All red boxes completed by internal audit and explanations provided?	

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

2018/2019 Budget update

Report by: Andrew Bakewell – Head of Finance and HR

Purpose of report

To set out changes to the 2018/19 budget to reflect latest information.

Recommendations

Members are asked to note the changes to the budget.

Background

In completing the 2017/18 accounts it was apparent that, despite underspends in previous years, the allocation in the 2018-2019 budget for training would be inadequate due to increased training requirements and national developments. In addition, proposed changes in roles/grades (agenda items 10, 11 & 14 refer) require adjustments to the 2018-19 budget.

A joint MMO/IFCA accredited training programme has been established over recent years together with an associated plan to fund training and accreditation utilising EMFF. At a late stage in implementing the project it transpired that EMFF funds could not be used, leaving a shortfall in delivery capability.

Report

To address the shortfall in training delivery at national level IFCAs have agreed to jointly fund a central post. At the Association of IFCAs meeting on 5th June 2018 the following recommendation was agreed:

Recommendation: Appoint IFCA Lead Training Officer on a 3-year contract (minimum 3 days per week). Favoured option 2: Up-front annual payment of c. £1800 per IFCA and an increase to the cost per delegate to the Torquay course to £1,345.

In order to further enhance and develop the management team the organisation has selected Institute of Leadership and Management (ILM) training for our 5 first line managers. The initial level 3 training will be provided by Impellus at a cost of £800 per person.

The estimated combined effect of the above is an increase of £15,000 to the 18/19 training budget (included in General Overheads). EMFF funding will be sought for the central post but if this cannot be achieved it will be funded as described.

The opportunity has also been taken to update salary estimates based on the final pay settlement and the proposed changes to be considered at the sub-committee meeting.

The Marine Protection budget has been reduced slightly in line with 17/18 actuals with moorings increased for the same reason.

Table 1

Amended Budget 2018/2019

	2017/2018 Budget	2017/2018 Actual	2018/2019 Amended Budget
	£	£	£
Salaries & Wages	995,403	901,273	1,031,672
General Expenditure	201,405	227,961	226,900
<u>Departmental Operational Costs</u>			
Marine Science	8,000	4,165	6,250
Marine Protection	17,500	18,270	20,000
Communication and Development	4,000	371	1,600
<u>Vessels</u>			
Moorings & Harbour Dues	5,500	10,448	5,000
Research Vessel - Three Counties	94,250	73,375	85,000
Enforcement Vessels - John Allen/ANO RIB(S)	45,500	18,892	42,500
Seaspray	10,500	283	7,500
Vehicles	24,500	22,862	25,000
TOTAL EXPENDITURE	£ 1,406,558	£ 1,277,900	£ 1,451,422
INCOME	60,000	46,087	70,000
EXPENDITURE LESS INCOME	£ 1,346,558	£ 1,231,813	£ 1,381,422
<i>LESS New Burden Funding</i>	394,145	394,145	394,145
Net Expenditure	952,413	837,668	987,277
Levies	996,925	996,925	1,016,863
Surplus/(Shortfall)	£ 44,512	£ 159,257	£ 29,586
Percentage reduction from Base Level £1,329,236)	-25.0%	-30.5%	-23.5%
Assets purchased		115,209	30,000

Table 1

Amended Budget 2018/2019

	2018/2019 Original Budget	2018/2019 Amended Budget	Changes From Original
	£	£	£
Salaries & Wages	1,037,946	1,031,672	6,274
General Expenditure	211,900	226,900	(15,000)
<u>Departmental Operational Costs</u>			
Marine Science	6,250	6,250	-
Marine Protection	22,000	20,000	2,000
Communication and Development	1,600	1,600	-
<u>Vessels</u>			
Moorings & Harbour Dues	3,400	5,000	(1,600)
Research Vessel - Three Counties	85,000	85,000	-
Enforcement Vessels - John Allen/ANO RIB(S)	42,500	42,500	-
Seaspray	7,500	7,500	-
Vehicles	25,000	25,000	-
TOTAL EXPENDITURE	£ 1,443,096	£ 1,451,422	£ (8,326)
INCOME	70,000	70,000	-
EXPENDITURE LESS INCOME	£ 1,373,096	£ 1,381,422	£ (8,326)
<i>LESS New Burden Funding</i>	394,145	394,145	-
Net Expenditure	978,951	987,277	(8,326)
Levies	1,016,863	1,016,863	-
Surplus/(Shortfall)	£ 37,912	£ 29,586	£ (8,326)

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 9

2018/2019 Expenditure Limits

Report by: Andrew Bakewell – Head of Finance and HR

Purpose of report

To update expenditure authorisation limits to allow for inflation and other increases.

Recommendations

It is recommended that Members:

Approve the changes to the expenditure limits per the attached.

Background

In order to streamline the process for procuring goods and services and reduce the administrative burden on the Authority we periodically review expenditure limits to ensure they are suitable and up to date. The limits are set to enable staff to procure day to day items in the most efficient way without management intervention. This is not in any way a carte blanche as our invoice processing methods ensure the appropriate checks and controls are in place.

Appendices:

A – Copy of new expenditure limits

Purchasing/Ordering Procedure

An Official Order Form should be completed for all goods and services being purchased by the Authority including credit card purchases.

Expenditure Limits **(June 2018)**

Petty Cash:

Small items purchased will be reimbursed from petty cash up to a maximum of £15 upon submission of a valid receipt. Other expenditure should be claimed monthly per EIFCA procedure.

Credit Card purchases:

Payment by company credit card should be treated as a last resort and never for sums less than £15.

Expenditure up to £300:

All authority staff are authorised to purchase goods or services up to a value of £300. No alternative quotes or additional authorisation are required. Wherever possible, purchases should be from an “approved supplier”. In all cases, purchases must be supported by an invoice or VAT receipt. Invoices once received will be matched to the original order and sent to the order originator for approval.

Expenditure £301 to £1200

Where purchases are from an ‘approved supplier’ no alternative quotes are required. In the instance of purchases from non-approved suppliers one alternative quote should be obtained. The order will need approval by Line Manager or Assistant Finance Officer. In all cases purchases must be supported by an invoice or VAT receipt. Invoices once received will be matched to the original order and sent to the order originator for approval.

Expenditure in excess of £1201:

Procedure as above, (£301 to £1200) except purchases from an “approved supplier” will require an alternative quote, where non-approved supplier three alternative quotes should be sought, all orders must be approved by the CEO or Head of Finance.

Exceptions:

In the event of sole supply, existing contracts or use of Government Purchasing Scheme frameworks alternative quotes are not required.

Invoices & Receipts

An invoice or VAT receipt should be obtained for all authority expenditure.

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 10

Finance & Personnel Sub-Committee Meeting

Harmonisation of Employment Terms and Conditions

Report by: Andrew Bakewell, Head of Finance and HR

Purpose of report

To provide details of a proposed solution for harmonisation of working hours.

Recommendations

It is recommended that members:

- **Approve** implementation of the proposed “harmonisation” solution with effect from 1st July 2018.

Background

During 2012 a review of roles and salary grades was undertaken, which resulted in the current salary structure. During the review it was acknowledged that there was some level of discrepancy in working hours with some officers working 37 and some 40 hours per week.

Officers working 40 hours per week were classed as ‘seagoing’ and were in receipt of a 7.5% pay enhancement (commonly referred to as ‘plussage’) to account for unsociable hours. Officers on 40-hour contracts could also accrue TOIL whereas officers on 37-hour contracts could not. Whilst the review concluded that this differential would be maintained it was agreed that a longer-term objective was to move to a standard 37-hour week.

At the meeting of the Finance and Personnel sub-committee held on 25th January 2017 it was agreed to merge the previous Environment and Research functions to form the Marine Science team. The paper supporting this decision identified the inequity between officers classed as seagoing (formerly Research) and those that were not (formerly Environment). Research officers were contracted for 40-hour weeks and were in receipt of the 7.5% ‘plussage’ whereas Environment officers worked a 37-hour week and did not receive the pay enhancement.

It was noted that the pay enhancement barely covered the additional working hours and from the outset of becoming an IFCA Environment team officers received seagoing training as it was envisaged that it would be part of their role. It was also noted that this disparity also applied to Marine Protection officers, who also work a 40-hour week and receive the pay enhancement.

Having considered the paper members directed officers to explore the harmonisation of terms and conditions for all officers.

Report

The key issues associated with current arrangements for payment of the 'plussage' can be summarised as follows:

- 7.5% 'plussage' does not compensate for the extra 3 hours per week (8.1%) therefore the rate per hour for equally evaluated jobs is different, which is not acceptable
- New recruits to the Marine Science Team, recruited on 37-hour contracts, were working unsocial hours with no 'plussage.'
- Full time working hours in most modern workplaces are 37 or less
- Public sector pay has fallen in real terms for several years.

To achieve an equitable position options are limited on the basis that they would involve adverse changes to contracts for some staff. Options considered have included:

- A standard 40-hour week with retention of the 'plussage' for seagoing staff
- A standard 40-hour week with no payment of 'plussage' and replacing with some mechanism for paying for actual unsociable hours worked
- A standard 37-hour week with retention of the 'plussage' for seagoing staff
- A standard 37-hour week with no payment of 'plussage' and replacing with some mechanism for paying for actual unsociable hours worked

Retention of the 'plussage' or replacement with an alternative mechanism has been given careful consideration and it has been identified that there is some level of inequity in the level of unsociable hours worked by different officers. However, it was also identified that working practices are changing and that more unsociable hours will be worked on a more equitable basis in future, particularly by the Marine Protection team.

The 'plussage' combined with allowing the accrual (albeit in a managed way) of TOIL provides a relatively low-cost solution for the Authority in terms of the necessity to work outside standard office hours.

It was concluded that retention of the current 'plussage' for seagoing staff is the most cost-effective mechanism for recompensing staff who are required to work unsociable hours. A relevant factor is that this practice is well-established both within Eastern IFCA and other IFCA's and the goodwill of staff is a key element in its success.

On the issue of hours per week it is standard employment practice for staff to work a 37 or 37.5-hour week, particularly in the public sector. Any change to increase the

hours of staff to 40 hours per week would be difficult, not least because it would represent a pay cut for some officers if current salary levels were maintained.

After careful consideration it is proposed that harmonisation of terms and conditions is achieved as follows:

- Officers currently in receipt of the 7.5% “plussage”, contracted for 40 hours will see contracted hours reduced to 37 with NO reduction to salary.
- The 7.5% enhancement will apply to all Officers who are routinely included on the roster for seagoing or enforcement duties on the basis that both require weekend and out of office hours working.
- Change is implemented with effect from 1st July 2018.

Currently two members of staff in the Marine Science team have been offered and accepted the option to be excluded from the seagoing roster and therefore will not receive the 7.5%

The relative merits of this proposal can be summarised as follows:

Pros

- Genuine recognition of “unsocial” hours
- Easy to administer
- Equal pay issues addressed
- Fits with modern employment practice
- No member of staff is disadvantaged
- No negative impact upon staff morale

Cons

- The Marine Protection team would lose 1500-person hours per annum.
- Marine Science would lose 270-person hours per annum
- Payroll cost increased
- In theory lost hours convert 1 for 1 into TOIL

The loss of working hours available to the Authority because of this proposal is acknowledged but it is judged that this can be managed. The seasonal peaks and troughs associated with our work will enable effective TOIL management, which will help to reduce the impact. In addition, what might be described as ‘unproductive working time’ is likely to be reduced. This judgement is supported by studies which indicate that reducing working hours in some contacts can result in increased productivity.

Financial

Annual cost to the Authority will be the addition of the 7.5% ‘plussage’ to the salaries of 4 Marine Science Officers. This with “on costs” equates to approximately £10,000 per annum, which has been factored into the revised budget (agenda item 8) and is within levy and new burdens income for 2018-19.

Background Papers

Confirmed minutes of the meeting Finance and Personnel sub-committee held on 6th December 2012

Confirmed minutes of the meeting Finance and Personnel sub-committee held on 25th January 2017

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 11

Finance & Personnel Sub-Committee Meeting

Review of Roles, Responsibilities and Structure

Report by: Andrew Bakewell, Head of Finance and HR

Purpose of report

To make proposals for some changes in roles and pay grades.

Recommendations

It is recommended that members:

- **Approve** the re-designation of the post of Administration and Finance Officer (grade 4) to Senior Administration Officer (grade 4)
- **Approve** the amendment of grade 4 to scale points 23 to 27 inclusive
- **Approve** the re-designation of the post of Administration and Finance Officer (grade 2) to Data and Administration Officer (grade 3)
- **Note** the inclusion of the WNNC Marine Partnership Project Co-ordinator within the EIFCA structure
- **Note** the temporary creation of a Marine Science Officer grade 6 post
- **Approve** incorporation of the above changes into the EIFCA structure

Background

During 2012 a review of roles and salary grades was undertaken, which resulted in the current salary structure based upon formal job evaluations undertaken by Norfolk County Council.

Since then an extensive review of the Marine Protection function has been undertaken, which has resulted in a coherent and effective structure. Within this are two grades of IFCO, with grade 5 being the standard grade and grade 6 applying to officers with additional responsibilities i.e. vessel skipper.

Several factors combined to cause a further review of roles, responsibilities and the structure of the organisation to be undertaken during late 2016. These included the departure of some staff, ongoing development of the Marine Protection function, emerging demands and the experience of operating as an IFCA for some four to five years. This resulted in changes being recommended and agreed to the meeting of the

Finance and Personnel sub-committee held on 25th January 2017. One such change was the creation of the Marine Science Team from the previous Environment and Research teams. This team has two Senior Marine Science Officers and a single grade (grade 5) of Marine Science Officer.

Another change was the deletion of the Head of HR post, which had an impact on the Support Team as well as the Head of Finance. The latter is addressed at agenda item 14. In recognition of the increased responsibility of the combined role pay band E01 has been moved to the previously vacant band scale points 46 to 50.

During 2017 the Procurement and Administration Officer retired, which created a vacancy in the Support Team.

The Wash and North Norfolk Coast Marine Partnership (WNNCMP) is jointly funded by a variety of partners and has been in existence for some considerable time. The project employs a Project Co-ordinator and Eastern IFCA's contribution to the project is to host and employ that officer as an alternative to a monetary contribution. For several years, the post has been employed on a rolling temporary contract with no salary grade with scale points.

Report

Support Team

Following the deletion of the Head of HR post and the retirement of the Procurement and Admin Officer a review has been undertaken to ascertain the needs of the organisation prior to commencing the recruitment process. The review identified several areas that would benefit from extra resource as well as new developments and legislation changes to be addressed. This includes the requirement to absorb the administrative elements of HR considering the proposals for HR (agenda item 14). It was also acknowledged that the role of the Data Officer had never been adequately resolved with it being effectively an "add-on" to another Officers' responsibilities. This matter has come to the forefront because of the new General Data Protection Regulation.

The need for ever improving on-line and media information and the speed of change proves increasingly challenging. Recent events have also illustrated the need to maintain databases effectively.

The proposed solution is to strengthen the Support Team in terms of both skill set and available hours to address the issues. This would see the Administration and Finance Officer role being re-designated as the Senior Administration Officer and the Procurement and Administration Officer being re-designated as the Data and Administration Officer and moving from 22 hours per week to 37 hours per week. The Senior Administration Officer would have line management responsibility for the Data and Administration Officer.

By the addition of HR administration responsibilities within the proposed Senior Administration Officer role and reflecting an enhanced skillset and responsibilities within the Data and Admin Officer job description it is anticipated that the current shortfall in capability and capacity will be resolved.

The changes to role would entail changing to parameters of grade 4 for the Senior Administration Officer to incorporate scale points 23 to 27 (inclusive) in recognition of the supervisory responsibility that will be added to the role. It would also involve increasing the grade for the new Data and Administration Officer from grade 2 to grade 3 in recognition of the additional skill set required of the new role.

Temporary Grade 6 MSO

During 2017 the complexity and high quantity of work undertaken by the Environment element of the Marine Science team meant that priorities were not progressed as intended. It became clear that a 'pinch point' was the requirement for outputs to be quality assured before being progressed further. All of this fell to the Senior MSO (Environment), who did not have sufficient capacity to turn work round in a timely manner.

In addition to this issue it is also recognised that there are fewer opportunities for career progression within the Marine Science function when compared with the Marine Protection function, the latter having two grades of officer. Historically there have been issue with the retention of staff in the Marine Science team and two MSO's have, over recent years, transferred from Marine Science to Marine Protection.

To address these issues a grade 6 MSO role has been temporarily created to enable work to be progressed and to assess whether there is a requirement for grade differentiation within the Marine Science function. This higher-grade role will take responsibility for quality assuring work as well as leading on more complex pieces of work.

WNNCMP Project Co-ordinator

The Core Management Group for the project have agreed that the Project Co-ordinator role should be employed on a permanent contract with a salary grade with appropriate scale point increments. This has been achieved by placing the post within grade 5 on the Eastern IFCA salary structure. The change to the WNNC Project Manager is merely to reflect the real situation regarding recent legislation and best practice i.e. the open-ended duration of the project and length of tenure of persons employed by said project would indicate a status of normal full-time employee.

Financial

The revised grade 4 for the Senior Administration Officer would see the grade change from scale points 21 (£20,541) to 25 (£23,111) to scale points 23 (£21,693) to 27 (£24,657). The budgetary implication of this change is negligible because the current incumbent in the role is on a 'red-circled' salary virtually equivalent to scale point 27 following the 2012 salary review.

The change in grade for the Data and Administration Officer from grade 2 (£17,007 to £17,972) to grade 3 (£18,319 to £19,819) is a modest increase in budgetary terms and is reflected in the revised 2018-19 budget (agenda item 8) and is within levy and new burdens income for 2018-19.

The temporary creation of a grade 6 MSO involves a modest increase in expenditure as the individual concerned was at the top of grade 5 and is now on the first scale point for grade 6. The actual difference is £938 pa, which is reflected in the revised

2018-19 budget (agenda item 8) and is within levy and new burdens income for 2018-19.

The changes to the WNNCMP Project Co-ordinator are administrative for Eastern IFCA because costs are charged to the project.

The current pay structure can be found at Appendix A and the revised pay structure incorporating the changes proposed in this paper and agenda item 14 can be found at Appendix B.

Appendices

Appendix A – Salary Structure effective 1st April 2018

Appendix B – Proposed Structure effective 1st July 2018

Background Papers

Confirmed minutes of the meeting Finance and Personnel sub-committee held on 6th December 2012

Confirmed minutes of the meeting Finance and Personnel sub-committee held on 25th January 2017

Appendix A

Eastern Inshore Fisheries and Conservation Authority Pay Scale from 1 April 2018

LGS Scale point	Salary (based on Full time)	including 7.5% enhanceme	EIFCA Band	(Positions highlighted receive a 7.5% enhancement)		
4	Not in use					
5	Not in use					
6	16,394					
7	16,495					
8	16,626					
9	16,765					
10	16,863					
11	17,007					
12	17,173					
13	17,391		2	Admin / Procurement Officer		
14	17,681					
15	17,972					
16	18,319					
17	18,672					
18	18,870		3	Data & Admin. Officer		
19	19,446					
20	19,819					
21	20,541					
22	21,074					
23	21,693		4	Admin & Finance Officer		
24	22,401					
25	23,111					
26	23,866	25655				
27	24,657	26507				
28	25,463	27373	5	Marine Science Officer*	IFCO (Grade 5)	Marine Science Officer (GIS)
29	26,470	28455				
30	27,358	29410				
31	28,221	30338				
32	29,055	31233				
33	29,909	32152				
34	30,756	33062	6	IFCO (Grade 6)	IFCO (Project Officer)	Marine Science Officer (Grade 6)
35	31,401	33760				
36	32,233	34650				
37	33,136	35620				
38	34,106	36663	SO1	Snr. Marine Science Officer (Research)	Senior IFCO	Senior Skipper
39	35,229	37871				
40	36,153	38864				
41	37,107					
42	38,052					
43	39,002					
44	39,961		E01	Head of Finance & HR		
45	40,858					
46	41,846					
47	42,806					
48	43,757					
49	44,697					
50	45,804					
51	46,972					
52	48,145		E02	Head of Operations		
53	49,352					
54	50,583					
55	51,858					
56	53,846					
57	54,477					
58	55,077					
59	56,357					
60	57,665					
61	59,416					
62	61,445		E03	CEO		
63	63,073					
64	64,745					
65	66,460					
66	68,321					
67	69,930					

Appendix B

Eastern Inshore Fisheries and Conservation Authority Revised Pay scale from 1 July 2018

LGS Scale point	Salary (based on Full time)	Salary including 7.5% enhancement	EIFCA Band	(Positions highlighted receive a 7.5% enhancement)
4	Not in use			
5	Not in use			
6	16,394			
7	16,495			
8	16,626			
9	16,765			
10	16,863			
11	17,007			
12	17,173			
13	17,391		2	Entry Level Admin. Assistant
14	17,681			
15	17,972			
16	18,319			
17	18,672		3	Data & Admin. Officer
18	18,870			
19	19,446			
20	19,819			
21	20,541			
22	21,074			
23	21,693			
24	22,401		4	Senior Admin. Officer
25	23,111			
26	23,866	25655		
27	24,657	26507	5	Marine Science Officer*
28	25,463	27373		IFCO (Grade 5)
29	26,470	28455		Marine Science Officer (GIS)
30	27,358	29410		
31	28,221	30338		
32	29,055	31233	6	IFCO (Grade 6)
33	29,909	32152		IFCO (Project Officer)
34	30,756	33062		Marine Science Officer (Grade 6)
35	31,401	33760		
36	32,233	34650		
37	33,136	35620	SO1	Snr. Marine Science Officer (research)
38	34,106	36663		Senior IFCO
39	35,229	37871		Senior Skipper
40	36,153	38864		Snr. Marine Science Officer (Environment)
41	37,107			
42	38,052			
43	39,002			
44	39,961			
45	40,858			
46	41,846			
47	42,806			
48	43,757		E01	Head of Finance & HR
49	44,697			
50	45,804			
51	46,972			
52	48,145			
53	49,352		E02	Head of Operations
54	50,583			
55	51,858			
56	53,846			
57	54,477			
58	55,077			
59	56,357			
60	57,665			
61	59,416			
62	61,445		E03	CEO
63	63,073			
64	64,745			
65	66,460			
66	68,321			
67	69,930			

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 12

Finance & Personnel Sub-Committee Meeting

I-VMS Funding

Report by: Julian Gregory, CEO

Purpose of report

To update members on an issue associated with the national roll-out of I-VMS and to seek agreement to underwrite the I-VMS Pathfinder in the Wash.

Recommendations

It is recommended that members:

- **Note** the content of the report
- **Agree** the revised estimation of £310k being required from reserves for the entire project
- **Agree** to utilise reserve funds to initially fund and subsequently underwrite the I-VMS pathfinders in the Wash and North Norfolk

Background

Eastern IFCA has long considered the introduction of I-VMS an important development for fisheries and conservation management. This is illustrated by the fact that for several years from inception in 2011, reserve funds of circa £300k were set aside to fund implementation once viable devices were available. Reserve funds were subsequently consolidated into the vessel replacement fund but in the context that there was potential for alternative funding for I-VMS.

At the 26th meeting of the Authority held on 2nd November 2016 members agreed in principle to the introduction of I-VMS on all under 12m fishing vessels throughout the Eastern IFCA District, subject to national developments and further analysis of local requirements

In 2017 a joint IFCA/MMO project was formally established to manage the roll-out of I-VMS units under EMFF funding. The project is seeking to supply and install I-VMS devices on all licensed fishing vessels, under 12 metres in length, utilising EMFF funds so with no capital cost to vessel owners. Alongside this Defra are considering a Statutory Instrument (SI) to mandate such devices and are likely to go to public consultation soon. The proposed SI is likely to apply to all the UK inshore fleet and to vessels from the Devolved Administrations and Crown dependencies.

The project involves three pathfinder sites, one of which is the fisheries within the Wash and North Norfolk SAC. Another involves a small-scale trial of devices on smaller vessels with no independent power source in Poole and North Norfolk. The intention of the pathfinders is to roll-out devices in advance of the three main implementation tranches to test processes and provide lessons learned to the project.

The funding model involves each IFCA paying for the purchase and installation of I-VMS devices and then re-claiming 90% of the total cost from EMFF. The remaining 10% will be claimed from Eastern IFCA, who hold funds from Defra to cover the 10% that must be paid from public funds. This, in effect, means that whilst IFCAs are required to fund devices in advance the project will ultimately be cost neutral to them.

The intention is that once devices have been installed ownership and responsibility for them is transferred to vessel owners by way of a signed agreement (contract).

Grants awarded from the EMFF are subject to Terms and Conditions (T&C) that are intended to ensure that the purpose for which the funding is provided is achieved. In the case of the fund from which I-VMS devices will be funded the T&Cs would apply for five years.

The project and the participation of Eastern IFCA was discussed at the 32nd Authority meeting held on 25th April 2018 when members agreed that reserve funds would be utilised to support the roll-out of I-VMS within the District.

At that meeting members were advised that it is estimated that there are 212 <12m fishing vessels with their home port located within the Eastern IFCA District and that with an indicative cost of £1,314 per I-VMS unit (including installation) expenditure of circa £279k would take place over three years. This was broken down to £96k in 2018/19, £110k in 2019/20 and £72k in 2020/21.

Report

It has now become clear that the £1,314 per device does not include installation and that there is an additional cost of £150 per unit for installation. This has the effect of increasing the amount to be initially funded by the Authority by £31,800, which puts the total amount at circa £310k as opposed to £279k.

An issue has been identified with the transfer of ownership of I-VMS devices to fishing vessel owners following installation. Whilst it is understood that ownership of devices can be transferred it appears that it is not possible to transfer the responsibility for fulfilling the EMFF grant conditions. Legal advice is awaited on this point, but it has been indicated that the likely solution would be for vessel owners to enter into an agreement with their local IFCA to comply with the EMFF grant conditions, thereby creating a contractual liability between the vessel owner and IFCA.

This creates a question about ongoing liability of IFCAs for equipment over which they have no direct control. In theory, whilst it would be a last resort, it is possible for funding to be re-claimed by EMFF if the objectives of the project and the T&C of grant are not complied with.

It is not fully understood what level of non-compliance would be required before action is taken or whether such action would apply only to vessels in default or to all vessels

that have had a device fitted. The project will be engaging with the EMFF team within the MMO to seek answers to these questions.

In the worst-case scenario, it would appear to be theoretically possible for all EMFF funds applied for by individual IFCAs to be reclaimed by the EU. It also appears likely that it will be possible to take a risk-assessed approach to this considering such mitigating factors as impending legislation that will mandate I-VMS devices and the contractual liability of vessel owners (notwithstanding that issues such as stability of business models within the inshore fleet and costs associated with recovery may create problems).

The immediate issue is that resolving this may take some time and in the meantime the project is unable to proceed as planned. In the case of the pathfinder in the Wash there is an imperative to proceed given the multiple conservation designations it has and the requirement to introduce stronger management measures, particularly in the brown shrimp fishery. The pathfinder in North Norfolk is also important in terms of trialling devices on smaller vessels in an MCZ in which Eastern IFCA is likely to regulate in the next 12 months.

New regulations have been approved by the Authority under the Wash Fishery Order 1992 that include a requirement for I-VMS devices. In addition, a proposed byelaw for the shrimp fishery is due to be presented to the next full Authority meeting and this too will include a requirement for I-VMS devices.

Given that the level of risk is not yet fully understood it is proposed that reserve funds are 'earmarked' to effectively underwrite the introduction of I-VMS in the Wash. This would affect circa 60 vessels and will cost approximately £90,000. The money would be spent to buy and install the units and would then be re-claimed from EMFF. The re-claimed amount would remain in a 'earmarked' reserve for five years or until the issue of transfer of T&C of grant and associated risk assessment has been resolved, whichever occurs first.

The rationale supporting the use of Authority funds in this way can be summarised as follows:

- There has been a long-held intention to introduce I-VMS in the district and to fund it if necessary
- There is a clear imperative, supported by pending local regulation, to introduce I-VMS in the Wash fisheries
- There is a clear imperative to trial I-VMS devices on smaller vessels in North Norfolk
- Proceeding with the pathfinder will facilitate the roll-out of I-VMS within the district and nationally
- It is likely that the 'earmarked' funds will not actually be expended in the long term

Financial

The primary financial implication is that circa £90k of reserve funds would be utilised to support the implementation of I-VMS in the Wash and would, therefore, be unavailable for other purposes. However, this is mitigated by the potential for utilising the Wash fishery 'propagation' reserve (£119k) for this purpose or alternatively utilising the vessel replacement fund pending scheduled vessel replacements. This fund (from March 2019) will be supplemented, with capital contributions from our 3 funding authorities, by £150k + inflation per annum.

Risks

There is the theoretical risk that extensive non-compliance with the T&C of grant could lead to a requirement for all EMFF funding to be repaid. The likelihood of this worst-case scenario is probably low but, in the event, that it occurred, it would be in the context that the Authority was prepared to invest in the provision of I-VMS. In the absence of alternative funding streams reserves could be re-directed to cover the cost.

Mitigation

The I-VMS Project is actively working on clarifying the legal and procedural position regarding the transfer of ownership of I-VMS devices and associated T&C of grant. This will inform a risk assessed approach to managing any residual liability for IFCA's. Eastern IFCA will not proceed with any further roll out of units beyond the Wash until this matter is fully understood.

Any risk would be mitigated by the fact that the Authority is introducing regulation to mandate I-VMS devices in the Wash fisheries, where the majority of vessels involved operate.

Background Papers

Minutes of the 26th meeting of the Authority held on 2nd November 2016.

Paper entitled 'Inshore Vessel Monitoring System - EMFF Control Fund Project' supporting agenda item 21 at the 32nd Authority meeting held on 25th April 2018.

Unconfirmed minutes of the 32nd meeting of the Authority held on 25th April 2018.

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



Information Item 16

Finance & Personnel Sub-Committee Meeting

HR Update

27 June 2018

Report by: Andrew Bakewell, Head of Finance and HR

Purpose of report

To inform members of the progress of the HR plan to 2019 and specifically an update of the HR activity planned to be completed during the coming financial year.

Recommendations

It is recommended that members:

- **Note** the contents of the report
- **Congratulate** the two MSOs on their permanent appointment.

Background

The Head of Finance assumed the HR portfolio in 2017, inheriting a 3-year strategic plan of the key HR activity required to support the delivery of the Business Plan. 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

The key activity for 2018 focuses on:

- Developing line manager capability (inc. ILM training)
- Modify the performance review process
- Harmonise contracts and hours
- Employee engagement

Recruitment

Since the last meeting the organisation has welcomed the two new starters mentioned in the report. Jon Butler (Head of Ops) and Ian Hinchliffe (IFCO) joined on the 5th

March, however both had already attended a week-long enforcement training session in Torquay.

An on-line advertisement for a Data and Administration Officer yielded 125 applications (many unsuitable). It is hoped that the interview process will be completed prior to the meeting and a verbal update will be provided.

Employee engagement

The management team are continuing to actively ensure employees are engaged and motivated. Time is set aside before Management Meetings to assess progress and discuss issues.

Permanent Appointments

Since the last meeting the CEO has confirmed the permanent appointment of Elise Quinn and Rebecca Treacy to the role of Marine Science Officer, thereby completing the team. Both have fitted in well and are proving to be valuable assets to EIFCA.