



**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  
17<sup>th</sup> October 2018  
at  
10.00 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: 17<sup>th</sup> October 2018

Time: 10.00 hours

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

### Agenda

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

### Action Items

- 4 Minutes of the Finance & Personnel Sub-Committee meeting on 27<sup>th</sup> June 2018 – *Chair (page3)*
- 5 Matters Arising – *Clerk*
- 6 To receive and recommend to the Authority, preliminary provisional estimates of expenditure for the period 1 April 2019 to 31 March 2020. - *Hd Fin (page 11)*
- 7 To receive and note the preliminary provisional forecasts of estimates of expenditure for the period 1 April 2019 to 31<sup>st</sup> March 2024. - *Hd Fin (page19)*
- 8 Office premises – *CEO / Hd Finance & HR (page 25)*
- 9 Vessel procurement update – *CEO / Hd Finance & HR (page 27)*
- 10 *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*
- 11 Confirmation of appointment – *CEO*
- 12 Disciplinary update – *Hd Finance & HR*

### Information Items

- 13 HR Update – *Hd Finance & HR Any other urgent business (page 29)*  
*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: 2<sup>nd</sup> October 2018

### Vision

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## Finance & Personnel Sub-Committee

A meeting of the Finance & Personnel Sub-Committee took place at the EIFCA offices, 6 North Lynn Business Village, King's Lynn, on 27<sup>th</sup> June 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 T FitzPatrick	Norfolk County Council
Cllr T Goldson	Suffolk County Council
Cllr P Skinner	Lincolnshire County Council
Mr S Worrall	MMO Appointee

### Eastern IFCA Officers Present:

A Bakewell – Head Finance & HR  
J Butler - Head of Operations  
J Gregory – CEO / Clerk

### F&P18/12 Welcome

The Chairman welcomed members to the meeting, noting Cllr Goldson would be late due to heavy traffic. Cllr FitzPatrick was welcomed to his first meeting as a member of EIFCA.

### F&P18/13 Apologies for absence

Apologies for absence were received from Cllr Vigo Di Gallodoro (SCC) and Mr Bolt (MMO Appointee).

### F&P18/14 Declarations of Members Interest.

There were no Declarations of Interest.

### F&P18/15 Minutes of the Finance and Personnel Sub-committee meeting held on 17<sup>th</sup> January 2018

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

Proposed: Mr Worrall

Seconded: Cllr Chenery of Horsbrugh

### F&P18/16 Matters Arising:

There were no matters arising, however, Cllr Coupland enquired whether there was any news on New Burden funding. The CEO advised this was being considered as part of the review of Defra finances, which he considered should be seen as positive as it was likely to have got lost as part of the fairer funding review. He was confident AIFCA was constantly questioning Defra to ensure it was not forgotten, and that the

point had been made that the funding stream needed renaming as these were no longer 'new' but 'permanent' burdens placed on IFCA's. The CEO added that the three County Council's Finance Directors had all been made aware of the possibility that this funding stream may be removed which could have an impact of the amount of levy required from them.

**F&P18/17 Report on the Internal Audit for 2017/2018 carried out by Norfolk Audit Services**

Members were provided with additional papers which had been unavailable for prior circulation due the delay in receiving them from the internal Auditors. The Audit letter advised of some minor areas for improvement but overall stated that all controls were acceptable.

Members were advised that there was no longer a statutory requirement to have an external audit however to reassure members that all practices were still appropriate the intention was to send the Statement of Accounts to PKF Littlejohn for scrutiny and signing off, prior to publication.

Cllr Coupland noted there had been a delay in the signing off monthly bank reconciliations and suggest this needed to be tightened up.

**Having considered the papers Members Agreed to note the report.**

**F&P18/18 Statement of Accounts for the year ended 31 March 2018**

In line with the Accounts and Audit (England) Regulations 2015 the Statement of Accounts had been prepared for approval, these were presented to the sub-committee for consideration.

Members worked through the Statement of Accounts taking note of savings, unexpected expenditure and debtors.

**Having been satisfied with the Accounts Members Agreed to:**

- **Approve the Annual Governance Statement.**
- **Approve the Statement of Accounts prior to submission to the full authority Meeting on 18<sup>th</sup> July 2018**
- **Authorise the Chairman to sign the Annual Return before submission to the auditors for review**
- **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.**

**Proposed: Cllr Skinner**

**Seconded: Mr Worrall**

**All Agreed**

## **F&P18/19 2018/2019 Budget Update**

Having prepared the 2017/2018 annual accounts it had become apparent that the training budget was no longer sufficient to meet the needs of the Authority. This was largely due to MMO training no longer being provided free of charge, and a commitment being made to institute of Leadership & Management training being provided for line managers. It was also anticipated there was a need for a slight increase in the salaries budget due to the LGA salary agreement. Overall it was anticipated the impact on the budget would be approximately £8,000.

**Members noted the content of the paper and the slight amendment to the budget which would be put to the full authority for approval.**

## **F&P18/20 Review of authorised spending limits**

In view of increasing costs, the Head of Finance & HR had looked at the Authorities authorised expenditure limits. The result had been to make small adjustments to the spending limits, however, it did not alter in any way the robust purchasing procedure.

Cllr Coupland queried whether being an ‘approved supplier’ meant there was no need to check whether it was best value. The Head of Finance & HR advised these suppliers were still checked on a cyclical basis to ensure best value was being achieved. The CEO added that at times when specialist equipment was being purchased it may not be possible to get three quotes which meant a judgement would be made based on two quotes.

It was questioned whether there were moves to use less paper, the Head of Finance & HR advised that any members who did not wish to receive a paper copy of their papers should let the office know.

**Members Agreed to Approve the changes to the expenditure limits as stated in the papers.**

**Proposed: Cllr Skinner**

**Seconded: Mr Worrall**

**All Agreed**

## **F&P18/21 Harmonisation of Employment Terms and Conditions**

Following the change to IFCA's the Authority had identified the need to harmonise the working week as there were some officers working a 37 hour, whilst others were on a 40 hour week. Those working 40 hours were deemed as ‘sea going’ and were given a 7.5% enhancement to compensate them for working anti-social hours during weekends and bank holidays.

After much consideration and debate it was felt the most appropriate way to deal with this would be to reduce the working week to 37 hours throughout the Authority and recognise those who were regularly rostered to go to sea to all receive the 7.5% plussage. Essentially this meant the Enforcement team would remain on their current salary, but their working week would be reduced by 3 hours and 4 members of the Marine Science Team who were rostered for seagoing duties would have their pay enhanced by 7.5% to bring them in line with others who regularly go to sea and work anti-social hours. The overall cost to the Authority would be approximately £7,000 per year.

Members were concerned how the workload would be met with officers reducing their working week, however, the CEO advised that evidence suggested it would only be less productive time which was reduced. He believed line managers would be able to guide officers to make best use of their time.

Cllr Skinner made the point that in other sectors there were a lot of people who worked anti-social hours and were not given additional pay for them. He also wanted reassurance with less hours being worked there would still be flexibility. Having been advised that additional hours worked are repaid through a TOIL system Mr Worrall was concerned that the amount of TOIL to be reclaimed would go up, the Head of Finance & HR reiterated the CEO's comment that this would come down to management. It was advised that when working at sea there was little control over the length of a working day however shore patrols could be more flexible allowing officers to tailor the length of their working day.

**Having discussed the proposal and the possible implications Members Agreed to Approve the implementation of the proposed 'harmonisation' solution with effect from 1<sup>st</sup> July 2018.**

**Proposed: Cllr FitzPatrick**

**Seconded: Mr Worrall**

**All Agreed**

## **F&P18/22 Review of Roles, Responsibilities and Structure**

Following several changes, the Head of Finance & HR had prepared a revised structure to reflect those changes.

Members were given a brief resume of the changes, which had come about following staff retirement/resignations and the identification of areas where there was a backlog of work which had been rectified by temporarily stepping up a long serving member of staff to address the issue.

It was noted historically there was a relatively quick turnover of staff within the Marine Science Team and it may be worth looking into levels of progression which may provide an incentive for staff to stay longer.

With this in mind it was agreed to consider the value of the temporary marine Science Officer grade 6 post after the initial six month period. Member were also advised that the Wash & North Norfolk Marine Partnership Project officer post had been slightly revised so that it was following the terms and conditions of EIFCA employment, however, the post continued to be fully funded from the project budget. There was no cost to EIFCA.

**Members Agreed to:**

- **Approve the re-designation of the post of Administration and Finance Officer to Senior Administration Officer**
- **Approve the amendment to grade 4 to scale points 23 to 27 inclusive**
- **Approve the re-designation of the post of Administration and Finance officer to Data and Administration Officer**
- **Note the inclusion of the WNNC Marine Partnership Project Co-ordinator within the EIFCA structure**
- **Approve incorporation of the above changes into the EIFCA structure**

**Proposed: Cllr Chenery of Horsbrugh**

**Seconded: Cllr Skinner**

**All Agreed**

**F&P18/23 IVMS Funding**

The CEO briefly explained to members the background to the need to have IVMS in the district. It was in 2016 that the Authority agreed to implement the use of IVMS on all <12m vessels within the district, which would provide Officers with the ability to apply intelligence led enforcement.

Subsequently there was a national project looking to roll out IVMS units to the u12m fleet using EMFF funding, alongside an SI being introduced by Defra. Using this scenario, it fell to IFCAs to purchase the units and then claim back 90% of the cost through EMFF funding, the remaining 10% to be refunded by Defra. Unfortunately, the process was slightly complicated as there was a potential issue about ownership of the units and transfer of terms and conditions of grant under the funding model. However, it was believed that a contract signed by each vessel owner would minimise the risk to IFCAs.

The CEO stressed to members the need for IVMS in the Wash as it was one of the most highly designated sites in Europe but advised that there was an un-resolved issue and that in theory the Authority could become liable for re-paying price of the units if the terms and conditions of grant

were breached. Members were asked whether they were prepared to underwrite that risk.

Mr Worrall questioned whether EMFF was time dependent on Brexit, the CEO advised the deadline for application was the end of June and that grants would be underwritten by the Treasury.

Cllr Collis expressed concern that once the units were handed over to fishers there was a question of serviceability and how determined users would be to keep the units operational. The CEO advised there would be a contractual and regulatory obligation to keep the unit working.

**Members Resolved to note the content of the report and to Agree the revised estimation of £310k being required from reserves for the entire project. They also Resolved to Agree to utilise reserve funds to initially fund and subsequently underwrite the IVMS pathfinders in the Wash and North Norfolk.**

**Proposed: Mr Worrall**

**Seconded: Cllr FitzPatrick**

**All Agreed**

**F&P18/24 Resolution**

**Members Resolved that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for items 14 and 15 on the grounds that they involved the likely disclosure of exempt information as defined in Paragraph 1 of Schedule 12A of the Act.**

**Proposed: Mr Worrall**

**Seconded: Cllr FitzPatrick**

**All Agreed**

*At this point Mr Bakewell left the meeting*

**F&P18/25 Executive Officer Remuneration**

The review in 2012 had identified the need for two separate roles of Head of Finance and Head of HR. In 2016 the Head of HR had resigned at which point she advised there was no longer a need for a dedicated Head of HR. At this time a temporary change was put in place to make the role Head of Finance & HR whilst options for a permanent solution were explored. At this point the post holder also had responsibility for managing the Marine Science Team during the secondment of the previous CEO and therefore, his pay grade had been increased to the then vacant grade between the Head of Finance and the Head of Operations on the salary scale.

This arrangement was temporary whilst options were considered for a permanent solution. Having operated under this model for over a year it was concluded that the combined Finance and HR role worked well, with

specialist HR legal advice being sourced from NPLaw when required. It was recommended that the role of Head of Finance & HR be made permanent and that the EO1 pay grade moved permanently to the vacant grade between the previous separate Heads of Finance and HR and the Head of Operations.

Management of the Marine Science Team had recently reverted to the Head of Operations following his appointment to the role but the Head of Finance & HR was still on the enhanced pay scale so in reality it would mean no change for him.

Members were advised this was not a full-time role, the current incumbent worked 4 days a week, but it was anticipated this would be reduced to 3 days a week on the understanding that during busy times additional hours would be worked.

Members considered the proposal and questioned the likely length of service from the current incumbent, as well as the additional cost to the Authority of buying in specialist HR advice when required.

**Members Resolved to Note the content of the paper and:**

- **Agree that the temporary combination of Finance and HR in one post become permanent**
- **Agree that the post of Head of Finance & HR be established permanently at grade EO1**
- **Agree the revised grade parameters for grade EO1 incorporate scale points 46 to 50**

**Proposed; Mr Worrall**  
**Seconded: Cllr Skinner**  
**All Agreed**

*At this point Mr Bakewell returned to the meeting*

**F&P18/26 Disciplinary case**

Members were provided with an update on the progress of the disciplinary case and the suggested dates for a 3-day hearing. It was noted there had been a slight change in advice from NpLaw. The hearing would require attendance by two of the Authority's Officers and four Authority members plus any witnesses which may be called, it was felt the most cost effective and pragmatic way to proceed may be to negotiate a settlement.

Members considered the cost implication of a three- day hearing and expressed annoyance that the Authority may have to pay when it was believed the decision to dismiss had been the correct one.

**Having considered all the implications Members Resolved to;**

- **Agree the case would continue to be managed by NpLaw**
- **Agree to direct NpLaw to negotiate a settlement up to an agreed amount**
- **Agree to delegate discretion to increase the offer to a further agreed maximum to the CEO in conjunction with the Chair and Vice Chair of the F&P Sub-committee, and the Chair of the Authority.**

**Proposed: Mr Worrall**

**Seconded: Cllr Coupland**

**All Agreed**

#### **F&P18/27 HR Update**

In addition to providing the paper updating members on the HR activity in the previous quarter, the Head of finance & HR advised members there had been 125 applications for the role of Data & Admin Officer, unfortunately none of those interviewed had met the full criteria for the role. The job description would be amended slightly to highlight the required skill set, prior to re-advertisement. The CEO advised there may be a need to take on a temp in the interim.

Members recorded their congratulations to the two Marine Science Team members who had successfully completed their probation.

**Members Agreed to note the content of the report.**

There were no Matters of Urgency, the meeting closed at 1255 hours.

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## Finance & Personnel Sub-Committee

### Action Item 6

17<sup>th</sup> October 2018

**Report by:** Andrew Bakewell – Head of Finance and HR

### **Preliminary Estimates of Expenditure for the period 1<sup>st</sup> April 2019 to 31<sup>st</sup> March 2020**

#### **Purpose of report**

To set out the background information and calculations used to determine the Preliminary Estimates for 2019/2020. It is stressed that these are preliminary estimates based upon five months expenditure in 2018/2019. These estimates will be revised and presented again as Provisional Estimates of Expenditure to the FPSC at their meeting in January 2019 for agreement and recommendation to the full Authority at their Statutory meeting at the end of January 2019.

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

#### **Recommendations**

Members are asked to consider, note and agree the Preliminary Estimates of Expenditure for 2019/2020.

#### **Background**

The Preliminary Estimates of Expenditure for the financial year 2019/2020 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 (2018/2019) and projected outcome for this year. The format of Table 1 shows the Total Estimates of Expenditure less Income including 'New Burden' costs. The New Burden Funding is then deducted from the Total Expenditure less Income to establish the residual cost which after deduction of the contribution from County Councils shows the surplus available for asset replacements or the reserves ear marked for that purpose.

The projected expenditure less income for 2018/2019 shows a saving of £44,008 (budget £37,912) The total saving arises from expenditure £11,096 offset by income shortfall including levies of £(5,000) thus accounting for the £6,096 increase over budgeted surplus..

The calculation of the Preliminary Estimate for 2019/2020 (Table 1).

## Notes on Expenditure

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

Variations from 2018/2019 Budget to the 2018/2019 Projection and 2019/2020 Preliminary Estimate are summarised under the main budget headings in the following table:

	2018/2019 Budget £	2018/2019 Projection £	2019/2020 Preliminary estimate £
Salaries & Wages	1,037,946	16,946	(47,119)
General Expenditure	211,900	(8,600)	(12,190)
Departmental Op Costs	29,850	(1,150)	( 2,650)
Vessels	138 400	6,900	21,700
Vehicles	25,000	(3,000)	(4,500)
TOTAL	1,443,096	11,096	(44,759)

### Salaries & Wages

2018/2019 Projection	2019/2020 Preliminary Estimate
<p>a) New rates introduced for calculation of Employer pension contribution:- 15.2% of pensionable pay plus £50,000 for the year (deficit recovery)</p> <p>b) Employers NI calculated at 17/18 rates (13.8% of earnings above LEL).</p> <p>c) Savings from vacancy management. IFCO 3 months Admin Officer 9 months.</p>	<p>a) Salaries have been calculated for a full complement based on current agreed structure.</p> <p>b) Salary inflation 2%.</p> <p>c) Salaries calculated at top of scale.</p> <p>d) Employer's NI Contributions are calculated at 2018/2019 rates</p> <p>e) Employer's pension contributions are calculated as 15.2% of pensionable pay plus £50,000 deficit recovery for the year.</p>

### General Expenditure

2018/2019 Projection	2019/2020 Preliminary Estimate
<p>a) Office maintenance underspend £4.1k</p> <p>b) Recruitment overspend <b>£2k</b></p> <p>c) Other various small overspends <b>£2.5k</b></p>	Small increases across all headings.

### Departmental Operational Costs

2018/2019 Projection	2019/2020 Preliminary Estimate
<p>Small increase on 2018/19 budget due to:-</p> <p>a) Marine Science overspend £2.3k (equipment repairs) and Communication and Development savings of £0.5k.</p>	Increases overall £1.5k due to:- Inflation 2%, and costs associated with maintenance of body cameras

## Vessels

The 2018/2019 budget provided for the operating costs of Three Counties, John Allen and Sebastian Terelinck all year.

<u>2018/2019 Projection</u>	<u>2019/2020 Preliminary Estimate</u>
Saving against budget of £6.9k arising as follows: Mooring Three Counties £14k (mtce and fuel less than anticipated offset by increased insurance for extra 3 months) JA & ST overspend £7k (JA engine repairs £24k, offset by fuel savings from reduced sea time) Other saving £0.2k Seaspray operation	Cost savings £21.7k arising due to following :-  JA repairs (one off) £17k  TC refit and mtce £11k  Inflation <b>£6.3k</b>

## Vehicles

<u>2018/2019 Projection</u>	<u>2019/2020 Preliminary Estimate</u>
Overspend <b>£3k</b> <ul style="list-style-type: none"><li>Insurance <b>£1.7k</b> (fleet increase part year)</li><li>Fuel increases <b>£1.3k</b></li></ul>	Increased by £1.5k over 18/19 to allow for insurance and fuel increases

## Inflation Contingency

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

## Income

<u>2018/2019 Projection</u>	<u>2019/2020 Preliminary Estimate</u>
No ad hoc sampling budgeted at £4k	Estimated as 18/19..

## Reserves

The amounts held in EIFCA's ear-marked reserves estimated at 30.09.2018 are set out below:

	£
ICT Fund	10,000
Legal and Enforcement Fund	75,000
Office Improvement Fund	10,000
Operational Fund	150,000
Research Fund	78,169
DEFRA Grant	18,292
Vehicle Renewals Fund	60,000
Vessel Replacement Fund	<u>1,506,105</u>
	<u>1,907,566</u>

## Levies

As discussed with the County Councils' finance representatives, levies have been increased by 2% for 2019/20. Although reserves are healthy the upcoming replacement of RV Three Counties will expend a substantial proportion. The reduced reserves started to be replenished in 2018/19 by annual contributions from the County Councils' as agreed as the preferred method of funding asset replacements. The Levies on the constituent County Councils including the 2% increase and asset replacement funding for 2019/2020 follow:

	Norfolk County Council £	Suffolk County Council £	Lincolnshire County Council £
Contribution from County Council Funds	399,322	299,750	338,128
Asset replacement	59,483	44,650	50,367
New Burden Funding Allocation	151,999	114,420	127,726
<b>Total Levy</b>	<b>610,804</b>	<b>458,820</b>	<b>516,221</b>
	38.5%	28.9%	32.6%

### For Information

<u>2018/2019</u> Total Levy	543,491	408,293	459,224
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## Reserves Forecast

	2018/19	2019/20	2020/21
<b>b/f</b>	<b>1,907,566</b>	<b>2,101,574</b>	<b>1,429,564</b>
<b>Revenue surplus</b>	<b>44,008</b>	<b>8,490</b>	<b>49,975</b>
<b>Asset replace</b>	<b>150,000</b>	<b>154,500</b>	<b>159,135</b>
<b>Utilised *</b>		<b>(835,000)</b>	<b>(1,035,000)</b>
<b>c/f</b>	<b>2,101,574</b>	<b>1,429,564</b>	<b>603,674</b>
<b>Vehicles</b>		<b>35,000</b>	<b>35,000</b>
<b>RV project</b>		<b>500,000</b>	<b>1,000,000</b>
<b>Accommodation</b>		<b>300,000</b>	
<b>Total *</b>		<b>835,000</b>	<b>1,035,000</b>

Table 1

## Preliminary Estimates of Expenditure 2019/2020

	2018/2019 Budget	2018/2019 Act/Proj	2019/2020 Preliminary Estimate
	£	£	£
Salaries & Wages	1,037,946	1,021,000	1,085,065
General Expenditure	211,900	220,500	224,090
<u>Departmental Operational Costs</u>			
Marine Science	6,250	8,500	8,750
Marine Protection	22,000	22,000	23,250
Communication and Development	1,600	500	500
<u>Vessels</u>			
Moorings & Harbour Dues	3,700	4,000	4,200
Research Vessel - Three Counties	89,000	75,000	74,000
Enforcement Vessels - John Allen/ANO RIB(S)	41,500	48,500	33,750
Seaspray Vessel Hire	4,200	4,000	4,750
Vehicles	25,000	28,000	29,500
<b>TOTAL EXPENDITURE</b>	<b>£ 1,443,096</b>	<b>£ 1,432,000</b>	<b>£ 1,487,855</b>
INCOME	70,000	65,000	65,000
<b>EXPENDITURE LESS INCOME</b>	<b>£ 1,373,096</b>	<b>£ 1,367,000</b>	<b>£ 1,422,855</b>
<i>LESS New Burden Funding</i>	394,145	394,145	394,145
Net Expenditure	978,951	972,855	1,028,710
Levies	1,016,863	1,016,863	1,037,200
<b>Surplus/(Shortfall)</b>	<b>£ 37,912</b>	<b>£ 44,008</b>	<b>£ 8,490</b>

**Preliminary Estimates of Expenditure 2019/2020**  
 Details of Expenditure - Salaries & Wages and General  
 Expenditure

**Table 2**

	2018/2019 Budget	2018/2019 Projection	2019/2020 Preliminary Estimate
<b><u>SALARIES</u></b>			
Staff Remuneration	787,839	775,675	825,139
Superannuation	169,163	167,500	174,509
National Insurance	81,744	78,000	85,417
<b>TOTAL</b>	<b>1,037,946</b>	<b>1,021,175</b>	<b>1,085,065</b>
<b><u>GENERAL EXPENDITURE</u></b>			
<i><u>Accommodation</u></i>			
<i>(Rent, Rates, Insurances, Utilities)</i>			
Rent	34,665	34,665	35,290
Business Rates	15,810	15,200	16,600
Water Rates	850	820	920
Service Charges	3,900	3,400	3,670
Insurance - Buildings	700	700	710
Insurance Office & General	8,250	8,100	8,500
Electricity	5,000	5,400	5,450
Cleaning	750	550	900
Maintenance & Redecoration	9,125	4,800	6,000
<b>TOTAL</b>	<b>79,050</b>	<b>73,635</b>	<b>78,120</b>
<i><u>General Establishment</u></i>			
Advertisements & Subscriptions	17,600	18,500	22,000
Legal & Professional Fees	11,000	13,400	12,500
Telephones (Office & Mobile)	8,130	8,250	10,300
Postage & Stationery	6,000	7,400	7,450
Equipment Hire & Renewals	5,000	2,750	3,000
IT Support (including Citrix)	33,850	34,060	34,600
Uniforms & Protective Clothing	5,000	5,750	6,000
Medical Fees	1,500	1,000	1,000
Recruitment	2,000	4,000	2,000
Sundry Expenditure inc. Meeting Costs	3,520	4,000	4,200
<b>TOTAL</b>	<b>94,600</b>	<b>99,110</b>	<b>103,050</b>
<i><u>Officers' Travel &amp; Subsistence</u></i>			
General Travel - Fares, Taxis etc	3,000	3,250	3,500
Subsistence Payments	2,250	2,000	2,000
Overnight Subsistence	1,500	1,250	1,500
Hotel - Accommodation & Meals	8,000	9,000	9,500
<b>TOTAL</b>	<b>14,750</b>	<b>15,500</b>	<b>16,500</b>
<i>Members' Travel</i>	3,500	2,255	2,500
<i>Training</i>	20,000	30,000	25,000

<b>TOTAL GENERAL EXPENDITURE</b>	<b>211,900</b>	<b>220,500</b>	<b>224,090</b>
<b><u>Departmental Operational Costs</u></b>			
<i>Marine Science</i>	6,250	8,500	8,750
<i>Marine Protection</i>	22,000	22,000	23,250
<i>Communication and Development</i>	1,600	500	500

**Preliminary Estimates of Expenditure 2018/2019**  
 Details of Expenditure - Vessels & Vehicles

**Table 3**

	<b>2018/19</b>	<b>2018/19</b>	<b>2019/2020</b>
	Budget	Projection	Preliminary Estimate
<b><u>MOORINGS &amp; HARBOUR DUES</u></b>			
Rent - Sutton Bridge Moorings			
Maintenance		500	600
Berthing & Harbour Dues	3,700	3,500	3,600
<b>TOTAL</b>	<b>3,700</b>	<b>4,000</b>	<b>4,200</b>
<b><u>RESEARCH VESSEL</u></b>			
<b><u>Three Counties</u></b>			
Maintenance & Repairs	26,000	15,000	17,500
Refit	35,000	35,000	30,000
Insurance & Certification	11,500	17,000	17,500
Fuel	16,500	8,000	9,000
<b>TOTAL</b>	<b>89,000</b>	<b>75,000</b>	<b>74,000</b>
<b><u>ENFORCEMENT VESSELS</u></b>			
<b><u>John Allen/Sebastian Terelinck</u></b>			
Maintenance & Repairs	21,000	42,000	25,000
Upgrade			
Insurance & Certification	3,500	3,500	3,500
Fuel	17,000	3,000	5,250
<b>TOTAL</b>	<b>41,500</b>	<b>48,500</b>	<b>33,750</b>
<b><u>Seaspray</u></b>			
Maintenance & Repairs	1,200	1,000	1,500
Insurance & Certification	1,000	1,500	1,500
Fuel	2,000	1,500	1,750
<b>TOTAL</b>	<b>4,200</b>	<b>4,000</b>	<b>4,750</b>
<b><u>VEHICLES</u></b>			
Insurance	8,500	10,200	11,000
Fuel & Sundries	10,000	10,750	12,000
Servicing	5,000	5,550	5,000
Vehicle Tracking	1,500	1,500	1,500
<b>TOTAL</b>	<b>25,000</b>	<b>28,000</b>	<b>29,500</b>

#### 1Vision

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

17th October 2018

**Report by:** Andrew Bakewell – Head of Finance

### **Preliminary Forecast of Expenditure for the period 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2024**

#### **Purpose of report**

To set out the background information and calculations used to determine the Forecast for the four years up to 2024. It is stressed that these are preliminary estimates based on past actuals with allowances for known variations and inflation where applicable. These forecast figures will be shared with the Finance Directors from the three County Councils.

#### **Recommendations**

Members are asked to **consider, note and agree** the Forecast of Income and Expenditure for the five years to 31<sup>st</sup> March 2024.

#### **Background**

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

Table also shows the preliminary estimate for 2019/20 as a basis for comparison. The format of Table 1 shows the Total Estimates of Expenditure less Income including 'New Burden' until 2020. The following have been assumed:-

- Salary costs based on currently agreed structure with a full complement of staff.at top of scale.
- Salary inflation at 2% per annum to include annual LGA increase.
- The modest annual savings up to 2020 will be utilised to support asset replacement along with use of reserves.
- Shortfalls of c.£300-400k arise from 2020 assuming "New Burden" is not replaced.
- A table showing movement in reserves over the coming years is also included for information. At this stage a "new burden" alternative is included, without this alternative, reserves will be exhausted by 2022.
- Three Counties replaced 2019/20, John Allen replaced 2021/22.
- A further line shows capital contributions to be levied including annual inflation of 3%.

## **Forecast to March 2024**

	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2022/23</u>	<u>2023/24</u>
<b><u>Income</u></b>					
Levies	1,037,200	1,057,945	1,079,104	1,100,686	1,122,700
“New Burden”	394,145				
Other	65,000	80,000	85,000	95,000	105,000
Total Income	1,496,345	1,157,945	1,164,104	1,195,686	1,227,700
<b><u>Expenditure</u></b>					
Staff cost	1,085,065	1,117,615	1,151,145	1,174,165	1,197,650
Administration	224,090	195,000	199,000	203,000	205,000
Operations	32,500	33,500	34,500	35,500	36,000
Vessels	116,700	125,000	135,000	140,000	142,500
Vehicles	29,500	31,000	32,000	33,000	33,500
<b>Total</b>	1,487,855	1,502,115	1,551,645	1,585,665	1,614,650
Surplus/Shortfall	8,490	(344,170)	(387,541)	(389,979)	(386,950)
New burden alt.		394,145	394,145	394,145	394,145
Adj. Surp/s/fall		49,975	6,604	4,166	7,195

## **Reserves**

The amounts held in EIFCA’s ear-marked reserves estimated at 31.03.2018 are set out below:

	£	F/cast 2019
ICT Fund	10,000	10,000
Legal and Enforcement Fund	75,000	75,000
Office Improvement Fund	10,000	10,000
Operational Fund	150,000	150,000
Research Fund	78,169	78,169
DEFRA Grant	18,292	-
Vehicle Renewals Fund	60,000	60,000
Vessel Replacement Fund	<u>1,506,105</u>	<u>1,718,405</u>
	<u>1,907,566</u>	<u>2,101,574</u>

## **Movement in reserves**

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Opening	1,907,566	2,101,574	1,429,564	603,674	206,188	349,179
Revenue	44,008	8,490	(344,170)	(387,541)	(389,979)	(386,950)
Utilised		(835,000)	(1,035,000)	(568,000)	(30,000)	(40,000)
Balance	1,951,574	1,275,064	50,394	(351,867)	(213,791)	(77,771)
New burden?			394,145	394,145	394,145	394,145
Adjusted			453,539	42,278	180,354	316,374
Cap. Cont. CCs	150,000	154,500	159,135	163,910	168,825	173,890
Final	<b>2,101,574</b>	<b>1,429,564</b>	<b>603,674</b>	<b>206,188</b>	<b>349,179</b>	<b>490,264</b>

Table 1

### Preliminary Estimates of Expenditure 2019/20

	2018/2019 Budget	2018/2019 Act/Proj	2019/2020 Preliminary Estimate
	£	£	£
Salaries & Wages	1,037,946	1,021,000	1,085,065
General Expenditure	211,900	220,500	224,090
<u>Departmental Operational Costs</u>			
Marine Science	6,250	8,500	8,750
Marine Protection	22,000	22,000	23,250
Communication and Development	1,600	500	500
<u>Vessels</u>			
Moorings & Harbour Dues	3,700	4,000	4,200
Research Vessel - Three Counties	89,000	75,000	74,000
Enforcement Vessels - John Allen/ANO RIB(S)	41,500	48,500	33,750
Seaspray Vessel Hire	4,200	4,000	4,750
Vehicles	25,000	28,000	29,500
<b>TOTAL EXPENDITURE</b>	<b>£ 1,443,096</b>	<b>£ 1,432,000</b>	<b>£ 1,487,855</b>
INCOME	70,000	65,000	65,000
<b>EXPENDITURE LESS INCOME</b>	<b>£ 1,373,096</b>	<b>£ 1,367,000</b>	<b>£ 1,422,855</b>
<i>LESS New Burden Funding</i>	394,145	394,145	394,145
Net Expenditure	978,951	972,855	1,028,710
Levies	1,016,863	1,016,863	1,037,200
<b>Surplus/(Shortfall)</b>	<b>£ 37,912</b>	<b>£ 44,008</b>	<b>£ 8,490</b>

**Preliminary Estimates of Expenditure 2018/2019**  
 Details of Expenditure - Salaries & Wages and General  
 Expenditure

**Table 2**

	2018/2019 Budget	2018/2019 Projection	2019/2020 Preliminary Estimate
<b><u>SALARIES</u></b>			
Staff Remuneration	787,839	775,675	825,139
Superannuation	169,163	167,500	174,509
National Insurance	81,744	78,000	85,417
<b>TOTAL</b>	<b>1,037,946</b>	<b>1,021,175</b>	<b>1,085,065</b>
<b><u>GENERAL EXPENDITURE</u></b>			
<i><u>Accommodation</u></i>			
<i>(Rent, Rates, Insurances, Utilities)</i>			
Rent	34,665	34,665	35,290
Business Rates	15,810	15,200	16,600
Water Rates	850	820	920
Service Charges	3,900	3,400	3,670
Insurance - Buildings	700	700	710
Insurance Office & General	8,250	8,100	8,500
Electricity	5,000	5,400	5,450
Cleaning	750	550	900
Maintenance & Redecoration	9,125	4,800	6,000
<b>TOTAL</b>	<b>79,050</b>	<b>73,635</b>	<b>78,120</b>
<i><u>General Establishment</u></i>			
Advertisements & Subscriptions	17,600	18,500	22,000
Legal & Professional Fees	11,000	13,400	12,500
Telephones (Office & Mobile)	8,130	8,250	10,300
Postage & Stationery	6,000	7,400	7,450
Equipment Hire & Renewals	5,000	2,750	3,000
IT Support (including Citrix)	33,850	34,060	34,600
Uniforms & Protective Clothing	5,000	5,750	6,000
Medical Fees	1,500	1,000	1,000
Recruitment	2,000	4,000	2,000
Sundry Expenditure inc. Meeting Costs	3,520	4,000	4,200
<b>TOTAL</b>	<b>94,600</b>	<b>99,110</b>	<b>103,050</b>
<i><u>Officers' Travel &amp; Subsistence</u></i>			
General Travel - Fares, Taxis etc	3,000	3,250	3,500
Subsistence Payments	2,250	2,000	2,000
Overnight Subsistence	1,500	1,250	1,500
Hotel - Accommodation & Meals	8,000	9,000	9,500
<b>TOTAL</b>	<b>14,750</b>	<b>15,500</b>	<b>16,500</b>
<i>Members' Travel</i>	3,500	2,255	2,500
<i>Training</i>	20,000	30,000	25,000

<b>TOTAL GENERALEXPENDITURE</b>	<b>211,900</b>	<b>220,500</b>	<b>224,090</b>
<b><u>Departmental Operational Costs</u></b>			
<i>Marine Science</i>	6,250	8,500	8,750
<i>Marine Protection</i>	22,000	22,000	23,250
<i>Communication and Development</i>	1,600	500	500

**Preliminary Estimates of Expenditure 2018/2019**  
 Details of Expenditure - Vessels & Vehicles

**Table 3**

	<b>2018/19</b>	<b>2018/19</b>	<b>2019/2020</b>
	Budget	Projection	Preliminary Estimate
<b><u>MOORINGS &amp; HARBOUR DUES</u></b>			
Rent - Sutton Bridge Moorings			
Maintenance		500	600
Berthing & Harbour Dues	3,700	3,500	3,600
<b>TOTAL</b>	<b>3,700</b>	<b>4,000</b>	<b>4,200</b>
<b><u>RESEARCH VESSEL</u></b>			
<b><u>Three Counties</u></b>			
Maintenance & Repairs	26,000	15,000	17,500
Refit	35,000	35,000	30,000
Insurance & Certification	11,500	17,000	17,500
Fuel	16,500	8,000	9,000
<b>TOTAL</b>	<b>89,000</b>	<b>75,000</b>	<b>74,000</b>
<b><u>ENFORCEMENT VESSELS</u></b>			
<b><u>John Allen/Sebastian Terelinck</u></b>			
Maintenance & Repairs	21,000	42,000	25,000
Upgrade			
Insurance & Certification	3,500	3,500	3,500
Fuel	17,000	3,000	5,250
<b>TOTAL</b>	<b>41,500</b>	<b>48,500</b>	<b>33,750</b>
<b><u>Seaspray</u></b>			
Maintenance & Repairs	1,200	1,000	1,500
Insurance & Certification	1,000	1,500	1,500
Fuel	2,000	1,500	1,750
<b>TOTAL</b>	<b>4,200</b>	<b>4,000</b>	<b>4,750</b>
<b><u>VEHICLES</u></b>			
Insurance	8,500	10,200	11,000
Fuel & Sundries	10,000	10,750	12,000
Servicing	5,000	5,550	5,000
Vehicle Tracking	1,500	1,500	1,500
<b>TOTAL</b>	<b>25,000</b>	<b>28,000</b>	<b>29,500</b>

### To explore Vision

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



## Action Item 8

### Finance & personnel Sub-Committee Meeting

17 October 2018

**Report by:** Andrew Bakewell, Head of Finance & HR

### Office Accommodation

#### Purpose of report

To seek members approval to pursue suitable alternative accommodation providing both office and storage/workshop space in one location.

#### Recommendations

**It is recommended that members:**

- **Note** – the recommendations from the 32<sup>nd</sup> statutory meeting.
- **Direct** officers to further re-negotiate terms for the new lease for the existing accommodation, to reflect our intention to move as soon as a suitable alternative location can be found.

#### Background

EIFCA have occupied the current offices for 25 years on a lease that will expire in December this year. Despite several modifications and interior layout changes the space is cramped with parking restrictions. Storage and workshop space are provided at Unit A in Bryggen Road, some five minutes' walk from the main office. Whilst storage and workshops are nearby it would be far more useful if it was under the same roof or on the same site. Several years ago, an option to re-locate the main office to premises adjacent to Unit A was explored with the support of the Authority. Ultimately this was discounted due to the high financial penalty clause associated with cancelling the rental contract for the existing office.

The Authority at the 32<sup>nd</sup> Statutory Meeting approved the following recommendations

- **Direct** officers to secure an extension to the current lease at best possible terms to include regular “break out” points.
- **Direct** officers to explore options to increase available office space

- **Delegate** authority to the CEO, in consultation with the Chair, Vice-Chair and the Chair of the Finance & Personnel sub-committee, to take decisions on appropriate accommodation options to facilitate immediate action if required.

## **Report**

Early enquiries have revealed a potential site that would accommodate a single storey building of 3,500 square feet (2,700 office and 800 square feet storage) with 25 parking spaces plus potential for outside storage. Current office is approximately 2,000 square feet over two floors. The storage unit at Bryggen Road is approximately 800 square feet and is subject of a 10-year lease, unfortunately the first 3 year break out point was missed in September this year.

### Proposal

Explore potential options for the site mentioned above, for which the landlords' preferred option is to build to our requirements and then lease to us, to provide a bespoke facility of modern contemporary eco-friendly design to meet the organisations needs into the future. Alternative options will continue to be sought to ensure that EIFCA can relocate to the most suitable accommodation in, hopefully, the near future.

### Other considerations

Officers are mindful of the impact of upcoming discussions with the MMO to pursue further joint working/shared facilities initiatives and the possibility of locating staff on a wider geographic scale. The latter being a recognition of the limitations of King's Lynn's attraction to younger members of staff.

Negotiations with the existing landlord will need to be re-opened to secure a more flexible arrangement for break points in the lease, if we are not in a position to invoke a hold-over on the current lease before the expiry date in December this year. Re-negotiation may involve a concession by way of a modest increase in exchange for improved flexibility.

## **Financial**

Our current rent for offices and storage facility is £34,665 per annum the target would be to set that as the maximum rent for a new facility if we are unable to purchase. A compromise may be to enter an arrangement similar to the Sutton Bridge moorings whereby an upfront contribution would result in a period of reduced rent. This would facilitate annual revenue savings to replenish the upfront capital sum taken from reserves.

### **Vision**

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## **Information Item 9**

### **Finance & personnel Sub-Committee Meeting**

17 October 2018

**Report by:** Andrew Bakewell, Head of Finance & HR

#### **Vessel Procurement update**

##### **Purpose of report**

To update members on the progress to date of the project to replace RV Three Counties.

##### **Recommendations**

##### **It is recommended that members:**

- **Note** the contents of the report, the progress to date and the next steps.
- **Agree** to the increased expenditure on specialist support for vessel design and build oversight.

##### **Background**

Approval was given at the 30<sup>th</sup> Authority meeting held on the 25<sup>th</sup> October 2017 to procure a replacement for the Research Vessel Three Counties. It was agreed that the CEO would Chair a Project Board to deal with all elements of the replacement vessel including specification, design, procurement and delivery. Recognising the workload associated with such a project it was also agreed that options would be explored to secure professional support (e.g. Naval Architect or Surveyor) to deal with some or all elements of the process. Oversight of the process was delegated at that meeting to the Finance and Personnel sub-committee.

Preliminary work to identify key requirements for the new vessel was undertaken by officers and options were explored for the provision of specialist support for design, procurement and build oversight. A number of potential suppliers were identified, and they provided indicative estimates for their services of around 7% of the build cost (likely cost c£1.5 million so circa £105k).

At the 32<sup>nd</sup> Authority meeting held on 25<sup>th</sup> April 2018 members agreed to the appointment of appropriate professional support to the vessel replacement project, approved expenditure to the levels estimated (7% of build cost) and delegated

authority for the selection of a preferred supplier for managing the total design and build process to the CEO.

### **Professional support**

Six potential providers were contacted and asked to submit details of their respective organisations including experience, expertise, capacity and examples of previous projects. Their responses were assessed, and a shortlist was drawn up of organisations to be invited to give a face to face presentation at EIFCA. Five of the six submitted expressions of interest including details of their respective company's history, experience etc,

### **Assessment of submissions**

The 5 submissions from the potential contractors were assessed independently, based on the criteria supplied at the invitation to submit, by the CEO and the Head of Finance and HR. Although the scoring revealed a consistent difference between the two (Head of Finance scores less generous) the ranking was identical. The objective of shortlisting 3 to provide a more detailed face to face presentation was achieved with a clear difference between the top 3 and the bottom 2. The three companies selected are: Keel Marine, Camarc Design and Macduff.

### **Financial**

The vessel replacement reserve currently has c.£1.6 million available for the new vessel. The indicative costs for design and oversight range from £120-180,000.

### **Next steps**

The three selected suppliers will now be invited to give a face to face presentation to address:

- Their outline proposal for vessel design to meet our requirements including rationale
- Indicative build cost
- Time scale
- Tender process
- Reporting

The team will also account for best fit and personnel interaction.

## **Vision**

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## **Information Item 13**

### **Finance & personnel Sub-Committee Meeting**

17 October 2018

**Report by:** Andrew Bakewell, Head of Finance & HR

### **HR Update**

#### **Purpose of report**

To inform members of the HR related matters arising since the last report.

#### **Recommendations**

**It is recommended that members:**

- **Note** the contents of the report
- **Congratulate** – Ian on his permanent appointment.
- **Congratulate** – Charlotte and Greg on fulfilling all the requirements to act as vessel skippers and consequent promotion to Grade 6 on the pay scale.

#### **Background**

The HR portfolio was added to the Head of Finances responsibilities following the departure of the previous Head of HR in 2017.

#### **Recruitment**

Despite two campaigns, including re-titling and upgrading the role, we have not been able to recruit a suitable person for the Data and Administration Officer role. We have therefore decided to seek a young candidate with potential to train for the Admin role, having advertised for a Clerical Support Assistant.

#### **Training**

A training programme has been sourced to deliver ILM training to managers from Impellus. Plans are in place for Conflict Resolution training to be undertaken for new officers with a one-day refresher for other officers.

## **Job descriptions**

Following the approved changes to the structure, and some role changes, revised job descriptions and revised Terms and Conditions have been issued.

## **Permanent Appointment**

Following successful completion of his 6 months probation IFCO Ian Hinchliffe has had his permanent appointment confirmed.

## **Other**

Both Charlotte Siely and Greg Emmott having undertaken external training and assessment successfully completed their Yachtmaster Offshore certification. They have subsequently been assessed by the Senior Skipper and are now able to act as Skipper for the Authorities patrol vessels. In recognition they have been promoted to Grade 6 on the pay scale.