



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

to be held at

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

15th October 2014

1030 hours

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

Date: 15 October 2014

Time: 10.30 hours

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



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

Agenda

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

Action Items

- 4 Minutes of the Finance & Personnel Sub-Committee meeting on 25 June 2014 - *Chair*
- 5 Matters Arising
- 6 To receive and recommend to the Authority, Preliminary provisional estimates of expenditure for the period 1 April 2015 to 31 March 2016. - *Hd Fin*
- 7 To receive and note the preliminary provisional forecasts of estimates of expenditure for the period 1 April 2016 to 31st March 2019. - *Hd Fin*
- 8 To receive a report on the External Audit for 2013/2014 carried out by Mazars LLP on behalf of the Audit Commission. - *Hd Fin*
- 9 To receive a report and make recommendations on the budget to support office re-location future accommodation requirements for the Authority. - *Hd Fin*
- 10 To receive a report and make recommendations on proposed upgrades to FPV *John Allen* - *DCEO*
- 11 To receive a report on 2014 Best Employee survey results - *Hd HR*

Information Items

- 12 Update on New Burdens funding and parliamentary report into the operations and conduct of IFCAs (verbal update) - *CEO*
- 13 Vessel procurement update (verbal update) - *DCEO*
- 14 Moorings project update (verbal update) - *DCEO*
- 15 HR Update - *Hd HR*
- 16 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

Philip Haslam
Chief Executive Officer
Date: 30th September 2014

Finance & Personnel Sub-Committee

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



A meeting of the Finance & Personnel Sub-Committee took place at the EIFCA offices, 6 North Lynn Business Village, King's Lynn, on 25th June 2014 at 1015 hours.

Members Present:

Cllr Tony Goldson	Chair	Suffolk County Council
Mr Peter Barham	Vice Chair	MMO Appointee
Dr S Bolt		MMO Appointee
Cllr Hilary Cox		Norfolk County Council
Cllr Margaret Wilkinson		Norfolk County Council
Cllr Richard Fairman		Lincolnshire County Council
Cllr Tony Turner		Lincolnshire County Council
Mr Stephen Worrall		MMO Appointee

Eastern IFCA Officers Present:

Philip Haslam	CEO
Andrew Bakewell	Head of Finance
Nichola Freer	Head of Human Resources (HR)
Julian Gregory	Head of Marine Protection (HoMP)

F&P14/16 Welcome by the Clerk

The Chair welcomed members to the meeting.

F&P14/17 Apologies for absence

Apologies for absence were received from Cllr Baker (Norfolk County Council).

F&P14/18 Declarations of Interest

Declarations of interest were made by Dr Bolt and Mr Worrall referring to Item 10 as they were MMO Appointees.

F&P14/19 Minutes of the Finance and Personnel Sub-Committee meeting held on 15th January 2014

Members agreed to accept the minutes of the meeting as a true record of proceedings.

Proposed: Dr Bolt

Seconded: Mr Worrall

All Agreed

F&P14/20 Matters Arising

There were no matters arising.

F&P14/21 Statement of Accounts for the year ended 31 March 2014 and to authorise transfers to and from the Authority's Reserve Funds, prior to submission to the full Authority at the Statutory Meeting to be held on the 30 July 2014

The Head of Finance gave a brief resumé of the Authority's Accounts for the year to 31 March 2014, explaining the income and expenditure during the year. It was acknowledged there had been areas where savings had been made, particularly in the Vessel Operating budget, largely due to the efficiencies gained through operating FPV John Allen. This had allowed savings to be put back in to the Vessel Fund to keep it at a level suitable to support

the purchase of future vessels whilst not having to raise the overall levy on constituent councils. Other aspects noted included the purchase of a new 4x4 vehicle and the acknowledgement that this vehicle fund had also been replenished using savings, which would allow the purchase of replacement vehicles during the next financial year.

The Head of Finance worked through the Statement of Accounts with members, the Annual Return had been prepared and if approved by members would be forwarded to the Audit Commission.

Having considered the accounts, clarification was sought with regard to the income received from the sale of ESF Protector III and also how the Authority assets are treated in terms of depreciation. It was also questioned whether having reserves could become an embarrassment in the future when so many cuts are being made within Local Government. The CEO responded to this by advising that all the relevant Local Authorities are aware of the reserves held by EIFCA and accept that the sums of money are all 'ear-marked reserves' assigned for specific tasks.

Members Resolved to approve the Statement of Accounts for submission to the full authority meeting on 30th July 2014.

Proposed: Cllr Cox

Seconded: Stephen Worrall

All Agreed

Members Resolved to approve and sign the Annual Return to the Audit Commission with contained an extract of the Statement of Accounts.

Proposed: Cllr Cox

Seconded: Stephen Worrall

All Agreed

Members Resolved to authority in accordance with the Authority's Financial Regulation 3.4, transfers of fund to an from 'ear-marked' reserves as outlined in the papers provided.

Proposed: Stephen Worrall

Seconded: Cllr Fairman

All Agreed

F&P14/22 Report on the Internal Audit for 2013/2014 carried out by Norfolk Audit Services

The Head of Finance advised the Norfolk Audit Services had completed the internal audit for 2013/2014 and found there was nothing to report. The audit process had run very smoothly which was testament to Christine Hurley's record keeping.

Members Resolved to Receive the report and approve the appointment of Norfolk Audit Services to carry out the internal Audit for Eastern IFCA for 2014/2015.

Proposed: Peter Barham

Seconded: Stephen Bolt

Agreed

Cllr Wilkinson arrived at this point.

F&P14/23 Sutton Bridge Moorings

Members had previously been made aware that the moorings being used at Sutton Bridge were considered by the CEO to be a potential H&S risk. Lincolnshire County Council and Fenland District Council had been in discussion to develop the whole area around the moorings into a marina facility, whilst

this had been on-going for several years it appears the areas of ownership in dispute had now been rectified and EIFCA has been asked to consider signing up to the marina with a capital investment of approximately £150,000 which would provide a fit for purpose mooring for an agreed period with a 'free' or peppercorn rent, although it was anticipated that any lease entered into by EIFCA would have a get out clause and cost recovery built into it. The anticipated timescale for the work to be completed would be commencement in early 2015 with completion in time for the 2015 boating season.

Members were asked to consider this proposal and the upfront investment of approximately £150,000. There were some concerns about the prudence of making such an investment in an uncertain climate. The CEO agreed and assured Members that the 'Heads of Terms' document that was being developed would reflect project risks. Members questioned whether there was any merit in having alternative moorings within the district. Members were advised that alternative moorings had been sought but it was considered that Sutton Bridge was the most appropriate place for access to the Wash as other suggested ports have greater tidal restrictions and/or do not possess the right support facilities.

Members Agreed unanimously to continue negotiations to secure new mooring facilities at Sutton Bridge taking account of the following principles:

- **Achieving best value for the Authority**
- **Security of Tenure**
- **Periodic exit points from contractual obligations**
- **Pro-rata capital cost recovery options at agreed exit points**

Agree in principle to commit capital expenditure of circa £150,000 to the moorings in return for an extended period of no or low cost tenancy.

Direct the CEO to present proposed contractual arrangements for the provision of mooring facilities for approval by the sub-committee.

F&P14/24 Disposal of FPV Runner

Members were advised that FPV Runner was the previous tender on-board Three Counties. Initially purchased in 2004 for a price of £14,000 including trailer the vessel has now reached the end of its working life and the trailer is tired but serviceable. It is the Officer's belief that the vessel is beyond economic repair and needs to be disposed of.

Members were provided with three options for disposal which included trying to sell it in its entirety, breaking down into spare parts or to donate it to the Boston Sea Cadets as a project for rebuilding and rendering seaworthy.

Members considered the options and in view of the small revenue return which would be achieved it was felt that to donate the vessel for the benefit of youths in a maritime environment was the best course of action.

Dr Bolt did question whether EIFCA was prohibited from making charitable donations but the HoMP advised that this was not the case.

Members Resolved to authorise officers to dispose of FPV Runner by donating it to the Boston Sea Cadets.

Proposed: Cllr Turner

Seconded: Cllr Fairman

All Agreed

F&P14/25 Review of MMO Appointees

Although Members had been provided with a paper outlining the proposed review of MMO Appointees the CEO reported that since the paper was written there had been further developments into the process for reviewing appointments and ensuring a level of continuity amongst IFCA membership. Members discussed the varying suggestions and acknowledged that at some point there would be a need to appraise the current MMO Appointees, via an interview process carried out by the Authority Chair and Vice Chair and the Chair of the F&P sub-committee.

Members Agreed to note the content of the report and direct the CEO to report back at a future meeting when there is more clarity.

F&P14/26 Exclusion of the Public

It was resolved that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following 2 items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 1 of Schedule 12A of the Act

**Proposed: Cllr Cox
Seconded: Stephen Worrall
All Agreed**

F&P14/27 To Approve the permanent appointment of the Head of Finance following 6 month probationary period

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

Having joined in November to replace the retiring Head of Finance, the current post holder had brought with him professional experience in both public and private sectors as well as formal accountancy experience. In addition, he has the capability for project management and, as a fresh set of eyes, was making valuable contributions at executive level. Both the Head of HR and the CEO were happy to recommend the approval of his appointment.

Members Resolved to confirm the permanent employment of the Head of Finance.

**Proposed: Cllr Fairman
Seconded: Stephen Worrall
All Agreed**

F&P14/28 Employee Relations Update

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

Members were reminded that in November 2013 an authority officer had been summarily dismissed for gross misconduct following accumulation of offences over an extended period of time. This officer had subsequently filed an application for unfair dismissal with the Employment Tribunal and a tribunal notification had been received. This had been discussed with the CEO, Chair of the Authority and Head of HR, all of whom agreed the Authority should defend the decision to dismiss and accept the possible costs involved. EIFCA has since been informed that owing to a failure to adhere to process by the applicant, the case has been dismissed by the tribunal judge. Members were advised that there the applicant has a right to appeal the Judge's decision and the tribunal may be recommenced at a later date.

The Head of HR advised that recompense for costs incurred would be sought from the ex-employee.

Members stated that the usual issues surrounding dismissals is the failure to adhere to due process and sought assurances that the correct disciplinary and appeals process had been followed. The Head of HR advised that Officers were confident that correct procedures had been applied.

Members Agreed to note the content of the paper.

At 1115 hrs the meeting was adjourned for members to be taken to view potential office space. At this point the Chair (Cllr Goldson) left the meeting.

The meeting reconvened at 1200 hrs with the Vice-Chair (Peter Barham) taking over the role of Chair.

F&P14/29 HR Update

This item was included as a matter of report. Members were updated on the ongoing recruitment. Two positions had been recruited from internal staff and interviews for the post of IFCO/crewman would take place over the next two days whilst those for MEO Data Lead would be carried out in July. Hopefully there would be a full complement of staff by the end of September.

Members were also advised that as part of continue management development the CEO had been enrolled on an ILM level 7 course, this was felt to be very beneficial in terms of personal development and business strategy, payment of the course would fall into the new cost recovering scheme should the CEO chose to leave the Authorities' employ before a suitable period of time has elapsed following completion of the course.

Members agreed to note the content of the report

F&P14/30 Any other urgent business

FUTURE ACCOMMODATION: The question of moving to alternative premises had been informally raised at the F&P meeting in June 2013 and a formal proposal was considered in January 2014. At that time it had been decided to postpone sourcing new office accommodation due to the prohibitive cost of the liabilities to foreclose on the existing lease.

Following a review of the liabilities, the CEO stated that whilst the liabilities still existed there was a mechanism whereby the costs could be recovered over a period of time by renegotiating the existing lease foreclosure terms and seeking savings in rent, service charges and utilities costs for the new office accommodation.

Following a request by the Chair, Head of Finance had prepared an outline paper setting out the positives and negatives of moving as well as the broad cost comparisons between the current office space and that viewed earlier in the day by the members. Members were advised that the figures were the best evidence available at the time but were necessarily indicative in places as they represented initial statements of intent rather than the result of negotiation.

It was advised that there would inevitably be additional expenditure to support office relocation and initial estimates suggested that a budget of c£50,000 would be necessary to provide for office design services, emergent building work, installation of phone lines and IT equipment and other ancillary costs.

Members acknowledged there was a need for more office space and that they were satisfied that the building could provide appropriate office accommodation. There were some questions raised such as why the owner was a tenant in his own building, how long the office had been empty, and would any lease agreement be scrutinized by a professional before it was

signed. They were concerned about getting into another long term lease and wanted assurance the maximum lease would be for 10 years with as many break points as possible. Also members stated that they would not wish to pay more than other tenants of the building (reportedly £12.95/ft²)

The key risks were explained and Dr Bolt wanted there to be no doubt the whole process would stand up against claims of misuse of public money should the question of paying off the existing lease be raised.

If the move was to go ahead, a separate paper would be raised to detail the expenditure and the mechanism to recapture costs over time in to a separate budget heading.

Members Resolved to instruct the CEO to negotiate a lease for the suggested office space at the most advantageous terms, for a total duration not exceeding 10 years at a rate of no more than other occupants are paying (notionally £12.95/ft²), subject to standard period rent reviews. Also the CEO was instructed to negotiate the best terms possible for exit from the current lease.

If negotiations were to go awry from the terms agreed by members the CEO can decline the progress.

Consultation will be made with the Chair and Vice-Chair of EIFCA and the Chair and Vice-Chair of the F&P sub-committee.

Proposed: Cllr Cox

Seconded: Cllr Fairman

All Agreed

AIFCA HR SUPPORT REQUEST: As AIFCA does not have its own HR expertise the Chair of AIFCA has previously used the services of EIFCA HR to compile salary scales and some policies. The CEO has subsequently received a request for the EIFCA HR to be the first port of call should the need arise within AIFCA. To date there has not been any HR issues within AIFCA, it is not therefore seen as likely to become a big issue, however AIFCA have indicated that should a significant piece of work be required they would be prepared to provide the necessary funding.

Members Resolved to agree to AIFCA using the in-house HR expertise with the proviso that if it becomes a large issue there will be cost implications.

Proposed: Cllr Cox

Seconded: Stephen Worrall

All Agreed

The meeting closed at 1250 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

15th October 2014

Preliminary Estimates of Expenditure for the period 1st April 2015 to 31st March 2016

Report by: Andrew Bakewell – Head of Finance

Purpose of report

To set out the background information and calculations used to determine the Preliminary Estimates for 2015/2016. It is stressed that these are preliminary estimates based upon five months expenditure in 2014/2015. These estimates will be revised and presented again as Provisional Estimates of Expenditure to the FPSC at their meeting in January 2015 for agreement and recommendation to the full Authority at their Statutory meeting at the end of January 2015.

Preliminary estimates have been prepared in order to provide more time for members and their relevant county council officers to consider the future financial requirements of the authority, bearing in mind the current and impending reduction in County Council funding.

Recommendations

Members are asked to consider, note and agree the Preliminary Estimates of Expenditure for 2015/2016.

Background

The Preliminary Estimates of Expenditure for the financial year 2015/2016 are summarised under the main budget headings shown on Table 1 (page 13). The details of expenditure are shown in Tables 2 & 3 (pages 14 & 15) which are attached.

Table 1 also shows the budget approved for the current financial year (2014/2015) and projected outcome for this year. The format of Table 1 shows the Total Estimates of Expenditure less Income including 'New Burden' costs. The New Burden Funding is then deducted from the Total Expenditure less Income to establish the Levy contribution from County Council Funds.

The projected expenditure less income for 2014/2015 is balanced with savings on salaries of £49,690 offset by £54,233 of unbudgeted costs relating to accommodation changes. Costs of introducing a second enforcement vessel (part year) and an upgrade to John Allen are also included in the estimates along with increased income from interest and chargeable activities.

The calculation of the Preliminary Estimate for 2015/2016 Table 1 (page 13) from base levy in 2011 £1,329,236 has been achieved.

Notes on Expenditure

Members may find the notes below helpful in relation to tables 1, 2 & 3 (pages 13, 14 & 15) Variations from 2014/2015 Budget (including inflation) of the 2014/2015 Projection and 2015/2016 Preliminary Estimate are summarised under the main budget headings in the following table:

	2014/2015 Budget incl inflation £	2014/2015 Projection £	2015/2016 Preliminary Estimate £
Salaries & Wages	949,240	-49,690	+2,740
General Expenditure	226,076	+54,233	+12,627
Departmental Op Costs	52,326	-14,026	-13,721
Vessels	158,128	+18,882	+16,171
Vehicles	22,340	-1,375	-1,633
TOTAL	1,408,110	+24	+16,184

Salaries & Wages

<u>2014/2015 Projection</u>	<u>2015/2016 Preliminary Estimate</u>
<p>a) Salaries have been calculated for the actual complement, and include 1% for the LGS pay award plus appropriate scale point increases.</p> <p>b) Employer's NI contributions are calculated at 2014/2015 rates.</p> <p>c) Employer's pension contributions are calculated at 20% pensionable pay.</p> <p>The saving in salaries compared to 2014/2015 Budget is due mainly to vacancy management.</p>	<p>a) Salaries have been calculated for the whole complement of staff using the agreed salary scales and include 2% for the 2015 Local Government Services pay award.</p> <p>b) Salary increments are included where appropriate.</p> <p>c) Employer's NI Contributions are calculated at 2015/2016 rates</p> <p>d) Employer's pension contributions are calculated at 20.5% pensionable pay.</p> <p>The increase in salaries compared with 2014/2015 Budget is due to achieving and maintaining a full complement of staff. Provision is also made for anticipated increase in employer's pension costs.</p>

General Expenditure

<u>2014/2015 Projection</u>	<u>2015/2016 Preliminary Estimate</u>
<p>Cost increases compared to 2014/2015 Budget are mainly due to:-</p> <p>a) Anticipated "one-off" costs related to accommodation changes.</p> <p>b) Training and equipment costs of new staff.</p> <p>These increases are partially offset by anticipated savings in Members' Expenses.</p>	<p>Cost increases compared to 2014/2015 Budget are mainly due to:-</p> <p>a) An increase in Accommodation costs associated with the costs of re-decoration.</p> <p>b) Additional incidental costs associated with extra enforcement and environment staff.</p>

Departmental Operational Costs

<u>2014/2015 Projection</u>	<u>2015/2016 Preliminary Estimate</u>
Savings compared to 2014/15 budget due to:- a) Reduced outside activities. b) Grant contributions.	Savings due to:- a) Reduction in Communication and Development costs. b) Anticipated savings in Marine Protection expenditure due to the reduced provision for costs associated with further bye-laws.

Vessels

The 2014/2015 budget provided for the operating costs of Three Counties, John Allen and Pisces all year.

A review of the Authority's enforcement needs has indicated the need for a further vessel. A tendering process has begun, the timetable of which suggests that the vessel will only be operational for a part of the year. Full time operation is anticipated in the 2015/16 estimates.

<u>2014/2015 Projection</u>	<u>2015/2016 Preliminary Estimate</u>
Increases are due to the anticipated cost of the upgrade to John Allen and an extra vessel in the latter part of the year.	Increases due to:- a) Full year cost of an extra vessel b) Maintenance costs of "older" vessels.

Vehicles

<u>2014/2015 Projection</u>	<u>2015/2016 Preliminary Estimate</u>
Replacement of 4 authority vehicles in the year has reduced anticipated service costs.	Assumed saving in service costs associated with the planned replacement of several of the Authority's older vehicles.

Inflation Contingency

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

Income

<u>2014/2015 Projection</u>	<u>2015/2016 Preliminary Estimate</u>
The increase in income compared to 2014/2015 budget is due to:- a) Income from Licence tolls b) Income from CEFAS for survey work. c) Interest from deposits. d) Other chargeable activities.	Income for 2015/2016 estimated at 2014/15 level.

Reserves

The amounts held in EIFCA's ear-marked reserves estimated at 30.09.2014 are set out below:

	£
Fixed Penalty Fine Fund	1,000
ICT Fund	26,242
IVMS Fund	300,000
Legal and Enforcement Fund	75,000
Office Improvement Fund	10,000
Operational Fund	250,000
Research Fund	89,921
Vehicle Renewals Fund	60,000
Vessel Contingency Fund	209,611
Vessel Replacement Fund	<u>952,738</u>
	<u>1,974,512</u>

Levies

The resultant Levies on the constituent County Councils from the Preliminary Estimates of Expenditure for 2015/2016 are:

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

(information only)

Feedback from Meeting with Finance Directors (1st October 2014)

A very positive meeting with the Finance Directors/representatives of the three County Councils was held in our offices on the 1st October. We presented an update on IFCA activities charting progress against our objectives, outlining the values associated with the areas within our remit. Our annual estimates for the years 2015/16 to 2018/19 were presented and explained. The County Council officers explained their individual situations with particular reference to future funding, indicating that we could be reasonably happy that the next two years would continue at current levels.

Whilst it was comforting to hear that we would suffer no reductions, the authority will have to find efficiencies in 2016/17 to offset the effect of the removal of the National Insurance "discount" relating to pension contributions and general inflation.

The County Council officers recognised the continued prudent approach of the authority and supported our ongoing efforts to deliver a cost effective efficient service.

Table 1**Preliminary Estimates of Expenditure 2014/2015**

	2014/2015 Budget Inc. Infl	2014/2015 Act/Proj	2015/2016 Preliminary Estimate
	£	£	£
Salaries & Wages	949,240	899,550	951,980
General Expenditure	226,076	280,309	238,703
Departmental Operational Costs			
Research and Environment	15,606	17,100	17,330
Marine Protection	20,400	11,000	11,010
Communication and Development	16,320	10,200	10,265
Vessels			
Moorings & Harbour Dues	22,102	21,190	26,720
Research Vessel - Three Counties	71,924	77,000	80,286
Enforcement Vessels - John Allen/ANO RIB(S)	58,650	68,500	56,520
Pisces III/Pacific 22	5,452	10,320	10,773
Vehicles	22,340	20,965	20,707
TOTAL EXPENDITURE	£ 1,408,110	£ 1,416,134	£ 1,424,294
INFLATION CONTINGENCY	0	0	0
INCOME	-17,000	-25,000	-25,000
EXPENDITURE LESS INCOME	£ 1,391,110	£ 1,391,134	£ 1,399,294
<i>LESS New Burden Funding</i>	-£394,145	-£394,145	£394,145
LEVY to be funded by County Councils	£ 996,965	£ 996,989	£ 1,005,149
Percentage reduction from Base Levy(£1,329,236)	-25.0%	-25.0%	-24.4%

Preliminary Estimates of Expenditure 2015/2016**Table 2**

Details of Expenditure - Salaries & Wages and General Expenditure

	2014/2015 Budget Inc. Infl	2014/2015 Projection	2015/2016 Preliminary Estimate
<u>SALARIES</u>			
Staff Remuneration	743,600	705,000	740,730
Superannuation	148,720	141,400	155,550
National Insurance	56,920	53,150	55,700
TOTAL	949,240	899,550	951,980
<u>GENERAL EXPENDITURE</u>			
<i><u>Accommodation</u></i>			
<i>(Rent, Rates, Insurances, Utilities)</i>			
Rent	26,500	40,152	59,733
Business Rates	12,500	17,744	13,800
Water Rates	550	740	615
Service Charges	3,348	3,700	4,450
Insurance - Buildings	400	940	1,090
Insurance Office & General	18,000	13,938	15,365
Electricity	3,570	4,450	2,450
Cleaning	3,000	3,670	2,750
Maintenance & Redecoration	4,000	7,900	800
TOTAL	71,868	93,234	101,053
<i><u>General Establishment</u></i>			
Advertisements & Subscriptions	24,990	17,000	15,620
Legal & Professional Fees	15,300	11,400	11,400
Telephones (Office & Mobile)	6,630	5,000	2,000
Postage & Stationery	8,160	5,950	4,650
Equipment Hire & Renewals	9,180	4,550	4,550
IT Support (including Citrix)	20,140	25,090	21,700
One off "move" costs		35,000	
Uniforms & Protective Clothing	5,100	13,000	9,000
Medical Fees	450	1,000	1,500
Recruitment	2,038	3,150	1,700
Sundry Expenditure inc. Meeting Costs	3,060	4,200	4,210
TOTAL	95,048	125,340	76,330
<i><u>Officers' Travel & Subsistence</u></i>			
General Travel - Fares, Taxis etc	2,550	2,600	2,800
Subsistence Payments	9,180	9,200	10,000
Overnight Subsistence	1,020	1,435	1,600
Hotel - Accommodation & Meals	3,570	3,600	5,170
TOTAL	16,320	16,835	19,570
<i>Members' Travel</i>	5,100	4,700	4,750
<i>Training</i>	37,740	40,200	37,000
TOTAL GENERAL EXPENDITURE	226,076	280,309	238,703
<u>Departmental Operational Costs</u>			
<i>Research and Environment</i>	15,606	17,100	17,330
<i>Marine Protection</i>	20,400	11,000	11,010
<i>Communication and Development</i>	16,320	10,200	10,265

Preliminary Estimates of Expenditure 2015/2016**Table 3**

Details of Expenditure - Vessels & Vehicles

	2014/15 Budget Inc. Infl	2014/15 Projection	2015/2016 Provisional Estimate
<u>MOORINGS & HARBOUR DUES</u>			
Rent - Sutton Bridge Moorings	16,492	16,500	16,500
Maintenance	1,550	2,690	2,720
Berthing & Harbour Dues	4,060	2,000	7,500
TOTAL	22,102	21,190	26,720
<u>RESEARCH VESSEL</u>			
<u>Three Counties</u>			
Maintenance & Repairs	20,500	18,250	18,706
Refit	21,000	22,750	25,000
Insurance & Certification	9,514	14,000	14,140
Fuel	20,910	22,000	22,440
TOTAL	71,924	77,000	80,286
<u>ENFORCEMENT VESSELS</u>			
<u>John Allen/ANO Enforcement Vsl</u>			
Maintenance & Repairs	11,000	25,500	20,000
Upgrade		17,000	
Insurance & Certification	7,650	6,500	12,040
Fuel	35,000	13,000	24,480
New Vessel Preliminary Costs	5,000	6,500	
TOTAL	58,650	68,500	56,520
<u>PiscesIII/Pacific 22 RIB</u>			
Maintenance & Repairs	2,550	9,000	9,450
Refit			
Insurance & Certification	845	320	323
Fuel	2,057	1,000	1,000
TOTAL	5,452	10,320	10,773
<u>VEHICLES</u>			
Insurance	5,750	5,155	5,207
Fuel & Sundries	13,000	11,250	11,250
Servicing	2,200	3,410	3,100
Vehicle Tracking	1,152	1,150	1,150
TOTAL	22,102	20,965	20,707

Vision

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Finance & Personnel Sub-Committee

Action Item 7

15th October 2014

Preliminary Forecasts of Estimates of Expenditure for the period 1st April 2016 to 31st March 2019

Report by: Andrew Bakewell – Head of Finance

Purpose of report

To set out the background information and calculations used to determine the Preliminary Estimates for the three years up to 31st March 2019. It is stressed that these preliminary estimates use the projection for 2014/15 as the base, which are themselves based upon five months actual expenditure in 2014/2015.

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

Recommendations

Members are asked to note the Preliminary Estimates of Expenditure for the three years to the 31st March 2019 included in the table below.

Background

The table of Preliminary Estimates of Expenditure for the years to 2018/19 are summarised under the main budget headings.

Table 1 also shows the latest estimate for the current financial year (2014/2015). The format of Table 1 shows the Total Estimates of Expenditure less Income including 'New Burden' costs. The New Burden Funding is then deducted from the Total Expenditure less Income to establish the Levy contribution from County Council Funds.

Basis of estimates

Salaries & Wages

- Complement as at October 2014 assumed throughout
- Salary inflation 2% plus scale point increases
- NI rebate removed 2016/17 onwards

General Expenditure

- "One off" costs 2014/15 not projected forward, inflation where appropriate 1%

Departmental Operational Costs

- Inflation where appropriate 1%

Vessels

- Assumes operation of; Three Counties, 2 Enforcement vessels and Pisces from 2015/16 onwards

Vehicles

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

Income

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

Provisional Forecast of Estimates 2015/2019

Table 1

	2014/2015 Estimate Incl. Infl £	2015/2016 Forecast £	2016/2017 Forecast £	2017/2018 Forecast £	2018/2019 Forecast £
<u>SALARIES & WAGES</u>					
Staff Remuneration	705,000	740,730	755,000	766,685	782,000
Superannuation	141,400	155,550	162,325	164,838	168,130
National Insurance	53,150	55,700	84,562	85,102	86,800
TOTAL	899,550	951,980	1,001,887	1,016,625	1,036,930
<u>GENERAL EXPENDITURE</u>					
Accommodation	79,296	85,688	85,958	86,463	79,813
Insurance	13,938	15,365	15,520	15,680	15,840
General Establishment	90,340	76,330	76,770	77,200	77,660
"One off" costs not reserved	35,000				10,000
Officers' Travel and Subsistence	16,835	19,570	19,640	19,750	19,830
Members' Travel	4,700	4,750	4,800	4,850	4,900
Training	40,200	37,000	36,290	36,560	36,880
TOTAL	280,309	238,703	238,978	240,503	244,923
<u>DEPARTMENTAL OPERATIONAL COSTS</u>					
Research and Environment	17,100	17,330	17,560	17,800	18,030
Marine Protection	11,000	11,010	11,010	11,020	11,020
Communication and Development	10,200	10,265	10,320	10,375	10,430
<u>VESSELS</u>					
Moorings & Harbour Dues	21,190	26,720	26,753	26,782	26,818
Three Counties					
Operating Costs	77,000	80,286	81,844	83,424	85,527
Enforcement Vessels					
RIB(S)					
Operating Costs	51,500	56,520	57,770	59,032	60,807
Pisces III/Pacific 22 RIB					
Operating Costs	10,320	10,773	11,269	11,789	12,334
TOTAL	160,010	174,299	177,636	181,027	185,485
<u>VEHICLES</u>					
Operating Costs	20,965	20,707	21,957	20,786	21,261
TOTAL EXPENDITURE	1,399,134	1,424,294	1,479,348	1,498,136	1,528,079
INCOME	-25,000	-25,000	-25,000	-25,000	-25,000
LEVY (Expenditure less Income)	1,374,134	1,399,294	1,454,348	1,473,136	1,503,079
<i>LESS New Burden Funding</i>	-394,145	-394,145	-394,145	-394,145	-394,145
County Council Levy	979,989	1,005,149	1,060,203	1,078,991	1,108,934
Memo Base Levy = £1,329,236 (2010/2011)					

Vision

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Finance & Personnel Sub-Committee

15th October 2014

Action Item: 8

Report on the Internal and External Audit for 2013/2014

Report by: Andrew Bakewell – Head of Finance

Purpose of report

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

Recommendations

Members are asked:-

- a) to receive the report and approve the appointment of Norfolk Audit Services to carry out the Internal Audit for Eastern IFCA for 2014/2015.
- b) To acknowledge the result of the External Audit carried out by Mazars LLP.

Background

The 2013/2014 Internal Audit was carried out by Norfolk Audit Services.

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

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

It is proposed that Norfolk Audit Services are appointed as Internal Auditors for the next financial year 2014/2015. As a 'light touch' audit is to be carried out by external audit it is probably even more important that a 'robust' internal audit is maintained.

Mazars LLP provided an unqualified audit certificate for 2013/14. "on the basis of our review, in our opinion the information in the annual return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met."

Background documents

2013/2014 Internal Audit Report (attached)

Section 4 – Annual internal audit report 2013/14 to

Eastern Inshore Fisheries Conservation Authority

The body's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2014.

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

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

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

Name of person who carried out the internal audit: ADRIAN THOMPSON

Signature of person who carried out the internal audit: A. Thompson Date: 21/5/14

*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).

Vision

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Action Item: 9

15th October 2014

Finance & Personnel Sub-Committee

Future Accommodation options update

Report by: Andrew Bakewell – Head of Finance

Purpose of report

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

- A cost breakdown
- Available budgets
- Other considerations

Recommendations

Members are recommended to:

- **Direct the CEO to continue to develop and fully cost options**
- **Direct the CEO to present options at the January 2015 Finance and Personnel sub committee meeting.**
- **Defer any decision to until the January 2015 Finance and Personnel sub committee meeting.**

Background

The committee, having recognised the need for extra space, viewed a potential solution at Lincoln Court and instructed the officers to provide a detailed project to facilitate a decision on this potential solution.

Actions

Officers have undertaken the following:-

1. Engaged in negotiations with the landlord to:
 - a. Achieve the desired rental per square foot
 - b. Secure an appropriate term with regular break points
 - c. Address access issues to the first floor (Lift)
2. Received and reviewed the lease using Fraser Dawbarns LLP solicitors
3. Obtained quotes for electrical, computer and phone wiring for the space
4. Obtained an indicative quote for installation of a lift
5. Prepared preliminary designs
6. Arranged and facilitated visits for staff
7. Consulted with staff
8. Measured for comparison purposes our current space
9. Engaged specialists to plan a layout for the space
10. Sought indicative quotes for provision of partitions, lighting and heating
11. Identified available reserves to fund a move
12. Prepared a detailed financial evaluation of the project

Outcomes

1. Negotiations:-
 - a. Rent agreed at £12.95 per square foot (£26,108 per annum)
 - b. Term 5 years with 3 year break
 - c. In principle agreement to "part" fund lift provision
2. Some minor amendments suggested. Incorporate in final lease if appropriate.
3. Network 24 provided a quote of £15,667 for all wiring, trunking and points
4. Invalifts quote £13,800.
5. Various indicative layouts prepared
6. Staff visits completed
7. Consultation ongoing
8. Detailed measurement reveals that Lincoln Court is NO BIGGER THAN CURRENT FACILITY. Landlord has offered to include upstairs meeting room at same rent per square foot to increase available space (approx. £4,500 per annum).
9. Bluespace have provided a potential layout of the Lincoln Court office (attached)
10. Partition costs per linear metre obtained, total cost dependent on design, lighting and heating £20,000 (again influenced by layout).
11. Reserves available are related to unspent IT provision totalling £41,558

Options

1. Move to Lincoln Court
2. Investigate alternative locations
3. Maximise utilisation of existing space
4. Do nothing

Move to Lincoln Court

FOR	AGAINST
Modern space	Cramped conditions
One floor	Extra costs
Close to storage	Accessibility
Energy efficient	Surroundings
Embeds transition/change behaviours	Public perception
Security	
Available immediately	

Current indicative floor plan

FOR	AGAINST
Accommodates all staff	Cramped appearance
Utilises space efficiently	No reception area
Partially achieves brief	Whole office accessible to anyone
	No breakout space
	New furniture required
	Design relies on "undersize" desks
	Increases cost of move (replace furniture)

Alternative locations

FOR	AGAINST
Ideal fit	Appropriate property yet to be sourced
Cost saving (long term)	Capital cost
Owned asset	Delay
Choice of office layout	Officer time
Choice of location	
Reduced rent penalty	
Effective use of resources	
Embeds transition/change behaviours	

Existing space

FOR	AGAINST
Reduce rent penalty	Inefficient building
Limited disruption	Work force split over two floors
Allows time to achieve Option 2	Full transition to IFCA not facilitated
Improve working environment	Inefficient use of resources
	No catalyst to change behaviours
	Cost of upgrade

Do nothing

FOR	AGAINST
Reduce rent penalty	Inefficient building
No disruption	Two floors
Allows time to achieve 2	Transition not facilitated
	No catalyst to change behaviours

Move to Lincoln Court

Reserves:

ICT	26242
NCC IT	<u>15316</u>
	41558

Costs:-

New Office

Design	2000	
Partitions & doors	8000	(9x£150 plus 30x£220)
Computer cabling		
Electrics	15667	
Phone system		
Fittings	20000	Lights and heating
Lift	<u>8000</u>	50% of cost
	53667	

Extra costs

Outstanding rent	96094	
Service charge	12800	
Ongoing costs	<u>5625</u>	£1500 per annum
	114519	

Budgeted move cost 168186

Funds available	41558
Unfunded cost	126628
Anticipated savings	20752*
Net cost of move	105876

Restoration existing:-

Partitions etc,	8000	
Carpets	2100	c.140 sq mts @£15/m2
Decoration	5000	
Removals	4000	
	<u>19100</u>	

Restoration cost will be a feature of any option.

*Reduced by approximately £17,000 if meeting room option pursued

Alternative locations

- Costs unknown

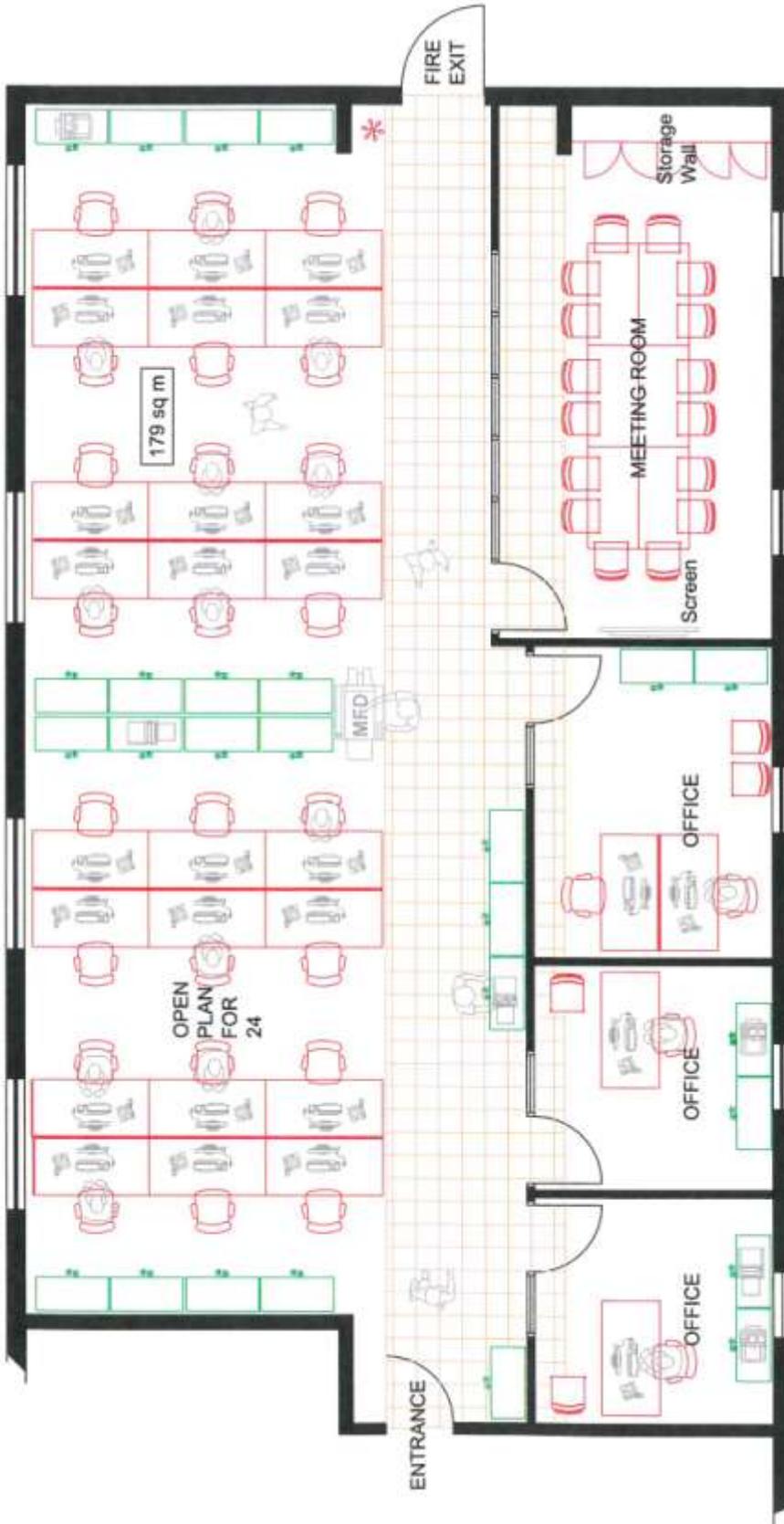
Existing space

- Utilise specialist designers
- Calculate cost of recommendations

Annex:

1. Indicative layout for Lincoln Court

Drawing Copyright © 2014 BLUESPACE
NB: Indicative Schematics, Do Not Scale



EIF PROPOSED 01



Vision

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Action Item: 10

Finance & Personnel Sub-Committee

15th October 2014

Upgrades to FPV John Allen

Report by: Julian Gregory, D/CEO

Purpose of report

To update members on the utility of *FPV John Allen* and to seek approval to carry out upgrades to enhance her operational capability.

Recommendations

That members resolve to:

1. Note and approve the indicative costs for upgrades to *FPV John Allen*
2. Agree to the Vessel Procurement Panel overseeing and approving the level of upgrade works to be undertaken
3. Agree to a recommendation to the full Authority that Redbay Boats be utilised as a sole supplier for the upgrade works

Background

The Seagoing Assets Review was established during 2011, primarily to address the then anticipated departure of the 24m patrol vessel, *FPV ESF Protector III*. Following the unexpectedly swift sale of the vessel and given the time required to complete the review it was agreed to charter or to purchase an interim vessel (full Authority meeting 31st October 2012 item 10 refers). At that time it was intended that a vessel should be available by the spring of 2013.

Extensive research under the Seagoing Assets Review led to the conclusion the seaborne enforcement function should be undertaken using cabin RIBs or similar and this was agreed at the full Authority meeting of 30th January 2013 (item 10 refers). It was also agreed that:

- A Vessel Procurement Panel, comprising the Chair of the Authority, the Chair of the Finance and Personnel sub-committee, the CEO and the Head of Marine Protection (now D/CEO) would be established to oversee and approve the procurement of an interim vessel.
- That a second vessel will be operated but that any decision on the long term future of any interim vessel is taken at a later date by the Vessel Procurement Panel, when more information is available (e.g. detail of vessel purchased, suitability for the role etc.)

The Vessel Procurement Panel subsequently approved the purchase of *FPV John Allen*, a Redbay Stormforce 11 metre cabin RIB, which was delivered at the beginning of May 2013. Being a cancelled order the vessel represented good value for money with a purchase price of £149k ex vat (original order price £180k ex vat).

At the time of purchasing *FPV John Allen* there was no direct benchmark as Eastern IFCA were the first IFCA to opt for a cabin RIB for the enforcement function. As a consequence there was an element of experimentation and it was not known whether or not the vessel would be retained for the long term. As a consequence, whilst the vessel was not a bespoke build for the fishery protection function, modifications to the vessel prior to delivery were limited to essential changes/upgrades to the value of circa £10k. It was anticipated that

further upgrades would be required in the event that the vessel was retained and that these would be informed by experience of operating the vessel.

FPV John Allen has now been operational for around 16 months, during which time she has been utilised on a range of duties throughout the district. It has been determined that the vessel is able to undertake a high percentage of the required tasks and that any shortfall in capability is offset by the price paid, the higher cost for a replacement vessel and the pending procurement of a second vessel, which will be a bespoke build. As a consequence the Vessel Procurement Panel has agreed that she should be retained on a permanent basis.

Whilst *FPV John Allen* is judged to be largely fit for purpose it has been assessed that her utility could be improved if a number of changes were made. Given the relatively low purchase price it is suggested that improvements could be achieved within an overall cost that would still represent good value for the public purse.

Potential Upgrades

Officers have developed a list of items for upgrade in order to enhance the utility of *FPV John Allen*. They include essential items such as enhanced radar, navigation and vessel tracking systems through to enhancements in capability by making changes to the design of the vessel to facilitate additional functionality. A list of the potential upgrades can be found at Appendix A.

Quotations have been obtained from Redbay Boats for most items but some costs have yet to be provided. Indicative costs for all upgrades, including the provision of a 3.1m tender and outboard engine, are estimated to be from approximately £37k to £57k ex VAT. Costs involved in returning *FPV John Allen* to Redbay Boats for the work to be undertaken are estimated at £5k for the return journey, assuming a sea passage across the Irish Sea.

Sole Contractor

Chapter five of the Authority's Constitution and Standing Orders require that where it is intended to enter into a contract for the supply of goods or materials or for the execution of works or specialist services - para 11 (b)(i), or for major capital expenditure - para 11(c), then quotations from at least three separate firms should be invited. This requirement can be waived by the Authority if the reason is embodied in a recommendation made to them - para 11 (d).

FPV John Allen was designed and constructed by Redbay Boats who are located in Cushendall, Co Antrim. The Stormforce range of vessels is their own design borne of years of experience building, maintaining and operating similar vessels in the Irish Sea.

The level and nature of upgrades to the vessel, some of which involve structural alterations and additions, indicate that they would be best undertaken by Redbay Boats as they have an intimate knowledge of their product. This would ensure continuity of quality and would avoid the potential for problems in design and implementation that may be encountered if a third party were involved.

Appendix A

FPV John Allen Upgrades

Item	Rationale	Indicative Cost (ex VAT)	Comments
<p>Electronics package to provide effective radar, navigation, vessel tracking and evidential recording</p> <p>Installation of electronics (including new mast for open array radar)</p>	<p>An essential requirement to enable enforcement activity throughout the district.</p>	<p>£15k</p> <p>TBC</p>	<p>Identified as an essential requirement when FPV John Allen was purchased but given the costs involved was not installed pending confirmation that the vessel would be retained long term</p>
<p>Modifications to aft deck including:</p> <ul style="list-style-type: none"> • Removal of breather boxes and railings and install new breathing cabin bulkhead. Laminate decks and make good GRP and non-slip • Fabricate and fit removable stainless steel guardrails to aft deck. Mount liferaft & life-rings on wheelhouse roof • Fabricate and fit high level extended bathing platform • Supply and fit tender recovery winch • Supply and fit tender recovery roller system to stern platform • Supply small RIB and outboard 	<p>Enable a small tender (RIB) to be carried to facilitate enforcement activity in shallow waters and landing officers on intertidal sandbanks.</p> <p>Create a larger working space when recovering/inspecting gear or undertaking research activity</p>	<p>£4450</p> <p>£2900</p> <p>£1665</p> <p>£560</p> <p>£1660</p> <p>£3037</p>	<p>This will extend the vessel capability to undertake both enforcement and research activity</p>
<p>Install removable stainless steel 'A' frame</p>	<p>Enable some research activity such as the deployment of side scan sonar</p>	<p>£1845</p>	<p>Utilisation of <i>FPV John Allen</i> for the side scan sonar would reduce crew requirements when compared with <i>RV Three Counties</i></p>

<p>Install either:</p> <ol style="list-style-type: none"> 1. Northlift LH300 heavy duty 12v pot hauler with extra battery systems 2. Seawinch combination hydraulic net and line hauler with associated modifications to the hull 	<p>Enable gear inspection</p>	<p>£1635 £5259</p>	<p>There are questions about the suitability of the vessel for this function as well as significant health and safety considerations. Research is ongoing but it is possible that this will not be pursued and alternative options explored instead</p>
<p>Create external helm position with ultraflex hydraulic helm, dual binnacle controls etc.</p>	<p>Essential if a pot hauler is installed Facilitate helming during boarding operations</p>	<p>£11,650</p>	<p>The high cost combined with the issues associated with installing a pot hauler may mean that this is not pursued</p>
<p>Modification of the cabin to include:</p> <ul style="list-style-type: none"> • Removal of bench seats and installation of two additional suspension seats. Re-cover existing seats in black fabric • Removal of galley unit and replace with chart table/workstation and storage • Re-work dashboard to accommodate new electronics including anti-glare paint, electronics shades and dimming switches 	<p>Facilitate crew safety with appropriate seating Facilitate installation of new electronics package Create appropriate working environment for enforcement and research activity</p>	<p>TBC</p>	<p>The galley unit is little used and would not have been specified on a new vessel used for day running only. The changes represent more effective use of space</p>
<p>Fit anchor fairlead as per original arrangement</p>	<p>Enable routine use of anchor</p>	<p>£335</p>	<p>Originally modified as the anchor protruded over the bow and was thought to be a risk when undertaking boardings. Experience has shown that this is unlikely and the current anchor stowage and operation is unwieldy</p>

Vision

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Item 11

Finance & Personnel Sub-Committee meeting

15 October 2014

Report by: Nichola Freer, Head of HR

Purpose of report

To provide Members with a summary of the results of the 2014 'Best employers' survey.

Recommendations

It is recommended that Members:

- **Note the contents of the report**

Report

Background

In the Statutory meeting held on 31 October 2012, it was reported that EIFCA employees took part in an externally run survey in July of that year that measured culture, values and leadership.

The survey was put together by 2 well-known local companies; ERAS, who are the providers of psychometric products and training solutions and Pure Resourcing, who are recruitment specialists. Their aim is to promote the 'best employers' in the Eastern region and awards were on offer for various categories such as valuing people, vision and leadership. The survey was completely free of charge, with the only expectation being that at least 60% of our employees complete the survey.

The survey was run again in June 2014 and we took part in this once again.

Outcome 2012

In 2012 we had a healthy 82.5% response. The results showed that our employee perception was between moderate and fairly high in the scoring range, which was encouraging, especially as this was our first external engagement survey. However, it should be noted that in all cases our results were behind the regional comparison for our size business, so it was recognized that the management team had some work to do in terms of developing engagement.

Outcome 2014

We completed the survey again in June this year so that we could measure our progression against the benchmark set in 2012. We received a very impressive 100% response rate, which really helps the validity of the results.

The results show a significant shift in employee perception from that in 2012 which is very encouraging and is reflective of the focus we have had (and continue to have) on setting the right employee culture within Eastern IFCA.

A comparison of the 2014 results against those from 2012 is shown in appendix 1, however some of the key messages are:

- In 2 areas we scored above the comparison group
- In 7 areas we scored the same as the comparison group
- In only 3 area we scored below the comparison group, though only by 1 position

This is great news that confirms we are working together in the right direction in order to set the right culture within the authority and improve employee engagement, however there is still room to further improve and our aim is to at least match, if not better our results from that of the comparison group when the survey is re-run again in 2016.

List of appendices

1. Engagement survey comparison table

	Very Low		Fairly Low		Moderate		Fairly High		Very High	
	1	2	3	4	5	6	7	8	9	10
Clarity of Vision										
Motivation										
Organisational Learning										
Integrity										
Team work										
Customer Focus										
Diversity										
Staff Development										
Quality										
Innovation										
Business Focus										
Autonomy										

KEY: Bold Pink / Green / Orange – EIFCA result 2012
Pale Pink / Green / Orange – Comparison group 2012

Bold Blue – EIFCA 2014
Pale Blue – Comparison group 2014

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Information Item 15

Finance & Personnel Sub-Committee meeting

15 October 2014

Report by: Nichola Freer, Head of HR

Purpose of report

To inform members of the progress of the HR plan to 2015 and specifically an update of the HR activity planned to be completed during this financial year.

Recommendations

It is recommended that members:

- **Note the contents of the report**

Report

Background

The HR plan to 2015 was developed in 2012 and provides a strategic overview of the key HR activity required to support the achievement of Defra's high level objectives. The key activity planned for 2013-14 has been completed and the focus now turns to the activity required for 2014-15.

Plan

The key activities within the 2014 plan are:

- The development of a competency framework for managers
- Employee engagement
- The development of a framework for succession planning
- Review and update of current people policies
- The development of Line Management capability

Update of specific activity

Employee engagement

Following the update given to members in June 2014, the employee engagement plan has been finalised and is now a working plan to further develop engagement within the Authority. It is important to note that this plan has been developed by all staff and everyone has shared ownership to ensure the fulfilment of the plan.

A copy of the engagement plan is attached as appendix 1.

IIP review and re-accreditation

Last November, we were assessed by Investors in People (IIP). The outcome of the Assessors' review at the time was that we were 'working towards the standard' and that we would be re-assessed in a year's time.

It should be noted that there have been significant changes as to how IIP is assessed in the workplace since our original assessment and accreditation in November 2010. It is now far more evidence-based, looking for verification of our processes in action through employees perceptions. Whilst this change makes it more difficult to achieve the standard, it is a far more robust assessment which gives employers qualitative data regarding what processes have been truly embedded and the perceived value of these from the eyes of the employee.

During this year we have worked to develop the areas highlighted by the Assessor and we will be re-assessed on 26 November 2014. The outcome of the assessment will be shared with the Members of the Finance and Personnel Sub-Committee in the New Year.

Summary of Executive business planning day

One of the priorities established in the 2014-15 annual plan was for the Authority to fully complete the transition from Sea Fisheries Committee to Inshore Fisheries and Conservation Authority. The operational intent is to ensure that all elements of Authority business are fit for purpose to support continued success into the future. At the strategic level, the targeted outcome is to ensure that officers are appropriately focussed on the delivery of Marine and Coastal Access Act 2009 (MaCAA 09) duties. This will enable the Authority to become more proactive in identifying and resolving fisheries and conservation management issues but also will ensure that officers receive appropriate leadership and management.

Over the last two years there has been a significant amount of work in pursuit of this objective. There has been a requirement to focus on setting the team up for success and to this end, a good deal of effort has been made to ensure officers are trained, equipped, supported and enabled to do their respective roles. The majority of this work is complete.

Earlier this year we spent valuable time with the whole team developing our core values. To truly embed these and to achieve the necessary cultural shift, the Executive team has resolved to visibly 'lead' in accordance with these values and in turn, to support the supervisors to 'perform' by them and bring them to life within their own teams.

It is apparent that it is now time to adjust the head mark. As a result, and to ensure the Executive team are focussed on the right priorities, it was agreed that a strategic business review was required. This business planning event took place on 26 September 2014.

Key Outcomes:

Leadership and Management

It was agreed that Executive officers need to move fully into a leadership role where clear outputs and outcomes are planned, articulated and delegated to the managerial level to deliver. For very necessary reasons, Executive officers have had to be very involved in the day to day running of IFCA business in order to embed safe, professional and value for money delivery of statutory duties. The penalty of this 'hands on' approach has been to establish a dependency culture and an expectation amongst staff that Executives take an active part in all business from routine administrative procedures to corporate strategic planning. This has crowded the management space and has not enabled Executives to appropriately focus 'up and out' of the organisation to plan future outputs and outcomes.

To resolve this, it was agreed to adjust the Executive focus and to fully empower the supervisory level to deliver their management function. This will require a degree of further training for middle managers, which will be provided by Executive officers, and formal delegation of accountability for delivery to the appropriate level.

Operational design

As part of the transition process it was recognized that due diligence would require a continuous review of the staff structure and working practices to assure that they will best aid the delivery of success into the future. The first phase of this process has already delivered a Project officer to the Protection team and an additional Marine Environment Officer to reflect the quantity of work being routinely processed by the Environment team. The next phase of this review will focus on enabling the Protection team to optimize outputs. There are a number of drivers to prompt this latest phase of staff structure review but principle amongst them are a sense that the Protection team are not best enabled to deliver their remit and the delivery of a second patrol vessel. On both counts it is essential that the operational design enables demonstrable and routine presence throughout the district and draws the full benefit from the significant investment in sea going assets.

The review will be conducted using in house resources and will start with an assessment of role, function, utility and outputs of the 'as is' structure to inform the subsequent development of potential 'to be' structures. Head HR and Head Finance will lead the initial assessment activity. The Finance & Personnel Sub-Committee will be kept fully apprised of progress.

Appendices:

1. Eastern IFCA Employee Engagement Plan

EIFCA Engagement Plan – 2014 / 2015

Theme	Feedback	Actions	Who?	How will success be measured?
Communication	Acknowledgement of good work from manager	<ul style="list-style-type: none"> Need to understand what 'over and above' looks like Managers to ensure genuine (and not hollow) praise 	All Mgrs	Feedback
	To be kept in the loop	<ul style="list-style-type: none"> Better utilisation of the weekly update by everyone – Each department to offer something informative each week Relevant information shared at staff meetings Communicators to choose method of communication carefully to ensure target audience is captured Individuals to ask for clarity if they believe they have been missed out of the loop 	All / Dept Heads All All	Quality and relevance of information in updates and staff meetings. Variety of communication methods used Feedback
	Communicators to give the message in a language that is easily understood and ensure the audience has actually understood the message	<ul style="list-style-type: none"> Communications to be tailored to the audience & given in simple language, no jargon Communicators to ensure their message has been both heard and understood – seek to ensure understanding at an individual level Individuals to ask the communicator for clarity if they do not clearly understand any message 	All All All	Quality and relevance of communications Feedback sought and given
	To be consulted with regard to EIFCA & department developments / plans	<ul style="list-style-type: none"> Employee Communication Policy to be refreshed amongst departmental teams Employee Communication Policy to be followed Staff communication / consultation to be written into all project plans (and executed) Individual to talk to their manager if they feel they have been omitted 	All Mgrs All All All	Communication principles and processes are followed in line with the policy Evidence in project plans Feedback
	To receive regular and relevant feedback from manager & peers	<ul style="list-style-type: none"> Managers to build this in as an everyday informal process tailored to individual teams Be respectful when both giving and receiving feedback 	All Mgrs All	Feedback

	Regular 1-1 and immediate team discussions about performance & the operation	<ul style="list-style-type: none"> • Build in regular, structured 1-1's so that feedback can be exchanged regarding progress towards objectives and allocated tasks / responsibilities • Line managers to schedule such meetings into diaries in advance and on-going • Establish an agenda / list of key headings to be routinely covered in the discussions • Individuals to remind their manager if these discussions are not happening • Individuals to request a discussion with their manager 	Line Mgrs Line Mgrs Line Mgrs All All	Evidence of regular 1-1's and team discussions Evidence of forward planning in diaries and rosters Feedback
	Emails and business updates to be sent through mobile phones (for those officers who work remotely)	<ul style="list-style-type: none"> • Currently looking to activate this functionality on the work mobile phones 	CEO / HOMP	Improved communications and efficiency amongst mobile officers
	Improve team communications, e.g, interesting or big things coming up, survey results, team requirements, enforcement assistance etc	<ul style="list-style-type: none"> • Better utility of all current forums: <ul style="list-style-type: none"> ○ Staff meeting ○ Weekly update ○ Departmental meetings • Individual departments to review the information they currently share at staff meetings and how they share it - look at more engaging and creative ways to present relevant and interesting updates • Canvass each other to see what others want to see and hear in your department updates 	All Dept Heads & All Dept Heads & All	Quality and relevance of information in updates and staff meetings. Variety of communication methods used Feedback
How we behave with each other	To be polite & courteous to each other	<ul style="list-style-type: none"> • To be carried out by everyone at all times • Examples of poor behaviour to be fed back to individual by the receiver of this behaviour whenever possible 	All All	Feedback
	Have honest discussions	<ul style="list-style-type: none"> • Follow the guidance for giving feedback at all times • Discuss issues with your line manager or senior team member who can influence and / or give 	All All	Quality of feedback Feedback sought & given

		<p>you a straight response. Refrain from discussing and leaving your issue at your colleague's feet</p> <ul style="list-style-type: none"> To be 'solutions focussed' wherever possible when presenting an issue (to have thought about possible options / ways to solve the issue) 	All	Ideas to overcome issues are forthcoming
	Mutual respect & respect difference	<ul style="list-style-type: none"> Remember respect is earned. Look at our own behaviour Respect is 2-way Respect colleagues' differences. We are all individual and do not respond in the same way. Be tolerant and look at adapting own style to support difference 	All All All	Feedback
	Listen to ideas & opinions of others.	<ul style="list-style-type: none"> Managers to explain why, if an idea is not going to be taken forward, so that individuals can feel that their points have been fully considered Individuals to ask how their ideas are being progressed To go as an agenda item for the staff meeting. Inform all what ideas have been received and the business response to each in 	Mgmt team All Exec	Feedback Evidence at staff meetings
Ways of working	Recognise & utilise people's skills & abilities to their full potential	<ul style="list-style-type: none"> Fully utilise the PDP with your manager Managers to take on board when planning tasks / projects – encourage cross working 	All Mgmt team	Evidence of quality and relevant PDP's Evidence of cross working Feedback
	Managers to empower their staff – trust to make the right decision / plan of action and to support them with this	<ul style="list-style-type: none"> Managers to give 'supported delegation Managers to ensure that their expectations are clear and fully understood by the relevant individuals Individuals to keep the manager in the loop with the progression of delegated tasks Managers to encourage and support decision making Managers to recognise and appropriately utilise individuals strengths 	Mgmt team Mgmt team All Mgmt team Mgmt team	Evidence of supported delegation & decision making Evidence of ensuring understanding Evidence of progress updates Feedback
	To be able to work	<ul style="list-style-type: none"> Dialogue between individual and manager 	Individual	Feedback

	flexibly where the job allows (EIFCA is actively supportive of this in the functions where duties allow for flexibility as to how the work is achieved)	<ul style="list-style-type: none"> • Manager to be clear about outputs required, to what standard and by when • On-going review to ensure business demands are being met 	<p>Manager</p> <p>Manager</p>	
	Break down the perceived segregation of the enforcement team and the rest of the wider team	<ul style="list-style-type: none"> • Recognition that 'one team' does not necessarily mean uniformity throughout • Joined up ways of working – joint workstreams and projects where business allows • Sharing resources and expertise at appropriate opportunities 	<p>All</p> <p>Mgmt team</p> <p>Mgmt team</p>	<p>Evidence of joint working</p> <p>Feedback</p>
Environmental / community	To have a recycling / environmental 'champion' within the team to help us recycle our waste	<ul style="list-style-type: none"> • Volunteer(s) required to take this forward 	Interested Individual	Feedback
	To improve the cleanliness & tidiness of the workplace	<ul style="list-style-type: none"> • Office colleagues to operate a 'clear desk' practice to include areas under and around desk also • Allocate appropriate work storage space to support 'clear desk' practice • To review layout and storage requirements within 'office move' project • Keep kitchen clean by washing and drying up anything you use 	<p>All office staff</p> <p>Exec</p> <p>Mgmt team</p> <p>All</p>	<p>Evidence of 'clear desk' practice</p> <p>Feedback</p>
	To have the ability to undertake voluntary community work through EIFCA	<ul style="list-style-type: none"> • Any suggestions put forward will be considered 	Individual	Feedback