



**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
19 October 2016
1030 hours**

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

Date: 19 October 2016

Time: 10.00 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 - *Chair*
- 2 Apologies for absence - *Chair*
- 3 Declaration of Members' interests - *Chair*

Action Items

- 4 Minutes of the Finance & Personnel Sub-Committee meeting on 22 June 2016 - *Chair*
- 5 Matters Arising - *Clerk*
- 6 To receive and recommend to the Authority, Preliminary provisional estimates of expenditure for the period 1 April 2017 to 31 March 2018. - *Hd Fin*
- 7 To receive and note the preliminary provisional forecasts of estimates of expenditure for the period 1 April 2017 to 31st March 2022. - *Hd Fin*
- 8 *To resolve that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for item 9 on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 1 of Schedule 12A of the Act*
- 9 Confirmation of appointment - *Hd HR*

Information Items

- 10 HR Update - *Hd HR*
- 11 Employee engagement survey summary - *Hd HR*
- 12 Moorings project update (verbal update) - *Hd Finance*
- 13 Any other urgent business
To consider any other items which the Chair is of the opinion are matters of urgency by reason of special circumstances which must be specified

Julian Gregory
Acting Chief Executive Officer
Date: 4 October 2016

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 22nd June 2016 at 1030 hours.

Members Present:

CLlr M Wilkinson	Vice-Chair – Norfolk County Council
Dr S Bolt	MMO Appointee
CLlr H Cox	Norfolk County Council
CLlr T Goldson	Suffolk County Council
Mr S Worrall	MMO Appointee

Eastern IFCA Officers Present:

A Bakewell – Head Finance
N Freer – Head HR
J Gregory – Acting CEO

F&P16/19 Welcome

In the absence of the Chair the Vice-Chair opened the meeting and welcomed members.

F&P16/20 Apologies for absence

Apologies for absence were received from Cllrs Baker (NCC), Byatt (SCC), Fairman (LCC) and Turner (LCC).

F&P16/21 Declarations of Members Interest.

There were no Declarations of Interest.

F&P16/22 Minutes of the Finance and Personnel Sub-committee meeting held on 14th January 2016

Having worked through the minutes it was agreed these were a true reflection of the meeting.

Proposed: Cllr Goldson

Seconded: Mr Bolt

All Agreed

F&P16/23 Matters Arising:

F&P16/09 MARINE PROTECTION REVIEW: The ACEO reminded members that at the previous meeting various decisions had been made which he felt members needed to be updated on. The decision to establish a satellite office within the MMO offices in Lowestoft had been put into action, with shared accommodation having been established in the CEFAS building in Pakefield, three desk spaces had been allocated, the only remaining stumbling block being security passes, however this was not preventing Officers from using the space. At this point no charge had been incurred for the use of this office.

Referring to the decision to review the IFCO job descriptions this had been carried out and more detailed information was provided in a later agenda item.

Recruitment of a Grade 5 IFCO had been carried out with the successful applicant fitting in well with the rest of the Enforcement Team.

There were no other matters arising

F&P16/24 Report on the Internal Audit for 2016/2016 carried out by Norfolk Audit Services

The Head of Finance advised that the Internal Auditors had recorded that with one minor exception there were no criticisms or observations to report.

Members were advised that under new rules there was no longer a requirement for EIFCA to have their accounts scrutinised by an External Auditor. However, as there had not been the opportunity for the Head of Finance to put this before the full Authority he had taken the cautious approach and opted to continue with an external audit for the 2015/16 accounts.

Having made this decision, the auditors which the Authority had previously used had increased their fees quite notably so an alternative Auditor had been sought whose fees were the same as those previously paid. Members were therefore advised that the external audit would be carried out by PKF Littlejohn LLP.

Members then spent some time considering whether the internal audit carried out by Norfolk County Council was a sufficient safety net and would highlight any malpractice. The Head of Finance advised that he could not make any guarantees, and explained that the internal audit was more a check of systems and processes, whilst it did provide certain levels of safeguards it would depend on the level of unscrupulousness whether or not the system was adequate, he did however feel reasonably confident that suspicious activity would be investigated.

Dr Bolt suggested that as it is a costly exercise it could be done every 4-5 years as the internal audit was a fairly robust system and was carried out annually. The ACEO was uncertain whether with the level of procurement which takes place this was appropriate. It was agreed this was a decision which should be formally made by the full Authority.

The Head of Finance was congratulated on the outcome of the Internal Audit.

F&P16/25 Statement of Accounts for the year ended 31 march 2016 and authorisation of transfers to and from the Authority's Reserve Funds

The Annual production of the statement of accounts had been completed and was presented to members. The Head of Finance advised members that the actual performance in the year had generated an underspend which was largely due to the secondment of the CEO which had saved approximately £70,000.

In line with this members' were presented with suggest additions to the reserve funds from the Revenue Account.

Members discussed the various reserves, noting that it had been necessary to use part of the vessel reserve to purchase FPV Sebastian Terrelinck.

It was noted that there had previously been a suggestion that reserves should be consolidated to the Vessel Renewal Fund.

Members queried whether there had been any decision made on use of the FAP funds. Dr Bolt acknowledged that all IFCA's were in the same position of not knowing whether they could use the funds or it was to be returned to the Treasury, he agreed to try again to get a definite answer from the Partnership Team. Members discussed the possibility of making a sound case for retaining the FAP funds as monies expended whilst investigating an offence. It was agreed the FAP funds should be moved into the Legal fund but a separate tally kept on it so that should it be deemed necessary to return it to the Treasury there would be a clear record of how much was owed.

Members discussed the remaining Reserves and noted there was a need to retain the ICT fund for future upgrades, the Legal and Enforcement Fund was essential in the event of legal proceedings being taken against the Authority, and the Office Improvement Fund may be required if at the end of the lease there were termination expenses. The Operational Fund would be almost depleted once a contribution had been made to the Marina Development at Sutton Bridge, following which only a peppercorn rent would be charged.

The future use of the Research fund was as this time unknown but it was historically used by the Research Team to purchase pieces of equipment.

The Vehicle Renewal Fund would be maintained as this was an ongoing cycle of replacement.

However, it was suggested the IVMS Fund should be allocated to the Vessel Renewal Fund as it was anticipated funding for IVMS would be sought from elsewhere. At this point the ACEO advised members that Defra officials were considering producing an SI to enforce the use of IVMS which would create consistency across all IFCA's and would allow funding to be sort from EMF. Development of an approved system was in its second round and it was hoped one of the developers would be given type specification. Dr Bolt advised that he had been aware that there had previously been funds allocated for IVMS on all vessels, he had not been aware the intention was to reallocate that money.

Cllr Goldson questioned the need to replace RV Three Counties and whether it was having engine problems. The ACEO advised that this was not the case but the vessel was reaching the end of its life expectancy which will most likely result in increasing maintenance costs. He advised that a like for like replacement would be in the region of £1m - £1.5m, he advised that as the addition of accommodation makes the vessel price increase it may be necessary to review our ways of working to alleviate the need to stay at sea overnight, and he felt a quicker vessel was needed.

Members were advised that the WFO, WNNCEMS and Environment Grant Funds were funds held by the Authority for other bodies or in the case of the WFO fund for specific purposes, the Head of Finance agreed to amend the Statement of Accounts slightly to highlight this fact. Dr Bolt requested that the Head of Finance let him know what the Environment Grant money was spent on so that he could check with Defra that it was considered appropriate use.

There was some discussion on the depreciation of assets, it was noted that the Authority do not depreciate assets, they are shown at cost, when necessary the Authority remove the asset from the list.

Members Resolved to Approve the Annual Governance Statement

Proposed: Dr Bolt

Seconded: Cllr Cox

All Agreed

Members Resolved to Approve the Statement of Accounts prior to submission to the full authority, subject to the amendments of

- **moving the FAP Fund into the Legal and Enforcement Fund but noting the total of FAP funding which could not be spent until a definitive decision had been made on whether it had to be paid over to the Treasury.**
- **Highlight that three reserves which are money held on behalf of other bodies and not part of EIFCA finances**

Proposed: Dr Bolt

Seconded: Cllr Goldson

All Agreed

Members Resolved to Authorise the Chairman and Acting Chief Executive Officer to sign the annual Return before submission to the auditors for review.

Proposed: Cllr Goldson

Seconded: Cllr Cox

All Agreed

Members Resolved to Authorise in accordance with the Authority's Financial Regulation 3.4, transfers of funds to and from 'ear-marked' reserves as outlined.

Proposed: Dr Bolt

Seconded: Cllr Wilkinson

All Agreed

F&P16/26 *Members Resolved 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.*

F&P16/27 Review of executive remuneration management

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

The Head of HR reminded members that as a result of the previous meeting there had been direction to review the current process. Having carried out the review it was felt it was structurally robust, transparent, and administered largely in line with the LGA structure, making it fair across all officers. The process also took away any subjectivity making it a straight forward administrative process.

Members were advised that the current structure did not include Performance Related Pay, whilst this had been looked into it was not considered that EIFCA was the type of organisation to which this process was relevant. The Head of HR believed that the performance review process in place was a very robust and thorough process involving appraisals and objectives, whilst it did not result in opportunities to enhance salaries it ensured staff were reaching their required outputs and any difficulties would be highlighted, which could be managed through the Capability process.

The Head of HR then highlighted an anomaly in the current pay structure which implied there were four executive grades when in fact there were 3 which covered four posts. It was her recommendation that the scale be relabelled and the gap remain unlabelled as it was not currently applicable to any post.

The Head of HR then advised that in future she believed the best way to review Executive posts would be to outsource to an appropriate body.

Members Agreed that the current process adopted for the management of executive remuneration was appropriate and should continue.

Proposed: Dr Bolt

Seconded: Cllr Cox

All Agreed

Members Acknowledged that the Authority has no mechanism to fund a performance related pay system for executive officers and that the construct of the organisation would make it unviable to operate.

Members Resolved to Approve Option 1 in order to align the executive pay bands with the revised pay structure.

Proposed: Dr Bolt

Seconded: Mr Worrall

All Agreed

Members Agreed that any future review of the executive salary structure is outsourced to an appropriate body.

F&P16/28 Confirmation of Appointment

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

The Head of HR advised members that a member of the Environment Team, MEO Data Lead, had completed the six month probationary period and it was now necessary to consider making the incumbent a permanent member of staff. Members were advised there were no reservations about the Officer who had settled in very well and was proving to be a valued officer.

Members Agreed to approve the permanent appointment of Greg Brown to the position of MEP Data Lead.

F&P16/29 On-going measurement of culture & engagement at Eastern IFCA

The Head of HR advised members that the IIP Accreditation was due to be reviewed and asked members to consider whether or not they wished to maintain the accreditation.

Since the accreditation had been achieved the Authority had taken on a dedicated HR Officer and processes and cultures had been put in place including behavioural competencies, Smart Objectives and PDPs which gear the Authority towards inclusion and engagement. With all these mechanisms in place and the cost of IIP accreditation being increased members were asked whether they felt it was necessary to maintain the accreditation.

The ACEO added that the last report had been deeply unsatisfactory which raised the question as to whether or not the process should be continued.

Dr Bolt questioned whether staff had been consulted for their views, this had not been done but the ACEO felt this was an Executive Decision and staff would be told the outcome at the next staff meeting.

Mr Worrall was concerned that staff should not perceive it that the Authority were backing out of something which staff they as a benefit.

Members Agreed to note the report

F&P16/30 HR Update

The report was essentially for information but the Head of HR advised members that updates were continuing in Developments and Capability. Most of the emphasis had been on the Marine Protection Team, working on their skills and confidence.

Two members of the Research/Environment Team had joined the CEFAS vessel Endeavour for 10 days which they had found thoroughly educational and enjoyable.

The Job Description review for the Marine Protection Team had been completed and new ways of working were being filtered out to the team.

Members Agreed to note the report.

F&P16/31 Any other urgent business

There were no matters of urgent business to discuss.

The meeting closed at 1210 hours

Vision

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



Finance & Personnel Sub-Committee

Action Item 6

19th October 2016

Preliminary Estimates of Expenditure for the period 1st April 2017 to 31st March 2018

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 2017/2018. It is stressed that these are preliminary estimates based upon five months' expenditure in 2016/2017. These estimates will be revised and presented again as Provisional Estimates of Expenditure to the FPSC at their meeting in January 2017 for agreement and recommendation to the full Authority at their Statutory meeting at the end of January 2017.

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 pressure on County Councils to make savings.

Recommendations

Members are asked to consider, note and agree the Preliminary Estimates of Expenditure for 2017/2018.

Background

The Preliminary Estimates of Expenditure for the financial year 2017/2018 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 (2016/2017) and projected outcome for this year. The format of Table 1 shows the Total Estimates of Expenditure less Income including 'New Burden' costs. The New Burden Funding is then deducted from the Total Expenditure less Income to establish the Levy contribution from County Councils.

The projected expenditure less income for 2016/2017 shows a saving of £85,067 over the original budget. The total saving arises from expenditure £ (85,067) with income projected as budget (£42,000)

The calculation of the Preliminary Estimate for 2017/2018 (Table 1) .

Notes on Expenditure

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

Variations from 2016/2017 Budget (including inflation) to the 2016/2017 Projection and 2017/2018 Preliminary Estimate are summarised under the main budget headings in the following table:

	2016/2017 Budget incl inflation £	2016/2017 Projection £	2017/2018 Preliminary Estimate £
Salaries & Wages	958,234	54,957	(17,176)
General Expenditure	224,243	(307)	10,043
Departmental Op Costs	40,000	(1,500)	(2,250)
Vessels	197,244	29,067	33,244
Vehicles	25,200	2,850	450
TOTAL	1,444,921	85,067	24,311

Salaries & Wages

<u>2016/2017 Projection</u>	<u>2017/2018 Preliminary Estimate</u>
a) Employer's pension contributions are calculated at 21% pensionable pay.	a) Salaries have been calculated for a full complement based on currently agreed structure.
b) Employers NI calculated at 16/17 rates 3% discount removed.	b) Salary increments are included where appropriate.
c) Savings arise from CEO secondment and vacancy management.	c) Employer's NI Contributions are calculated at 2017/2018 rates
	d) Employer's pension contributions are calculated at 21.5% pensionable pay.

General Expenditure

<u>2016/2017 Projection</u>	<u>2017/2018 Preliminary Estimate</u>
Cost increases compared to 2016/2017 Budget are mainly due to:-	Cost savings compared to 2016/2017 Budget are mainly due to:-
a) Legal costs overspent by £17.5k associated with prosecution partly offset by compensation awarded.	a) Insurance premiums £9k.
b) Increased cost of IT support (£4k) associated with upgrade.	b) Training £11k.
c) Savings relating to renegotiated insurance c.£10k	Offset by:
d) Training £20k under budget.	1. Costs of new bylaws (£8.6k)
e) Travel and Subsistence £4k under budget	2. IT support (£3.7k)
f) Meeting room upgrade £8.8k	

Departmental Operational Costs

<u>2016/2017 Projection</u>	<u>2017/2018 Preliminary Estimate</u>
Small increase on 2016/17 budget due to:-	Increases due to:-
a) Increased enforcement activity and emergency bye law introduction (£4k)	a) Inflation
b) Savings on outreach £2.5k.	

Vessels

The 2016/2017 budget provided for the operating costs of Three Counties, John Allen and Pisces all year and an additional vessel for a part year.

<u>2016/2017 Projection</u>	<u>2017/2018 Preliminary Estimate</u>
Saving against budget of £29k arising as follows: a) TC lower than anticipated fuel and insurance total £9.7k b) Ribs JA out of action for c.6 months and insurance savings total £15.3k c) Sutton Bridge mooring rent ceased ref Marina Project save £16k** d) Pisces scrapped not yet replaced hire vessel £23k	Savings arising due to following :- a) TC refit and insurance £13.8k b) Ribs both in service all year £1.8k c) Rent saving all year £19.3k Offset by: Pisces replaced for start of year

**** The rent saving is to compensate EIFCA for its' £150,000 capital contribution by way of setting a peppercorn rent for a minimum of 10 years.**

Vehicles

<u>2016/2017 Projection</u>	<u>2017/2018 Preliminary Estimate</u>
Fuel and maintenance savings £5k offset by increased insurance premiums. £2.2k	Saving of £0.5k arising from fuel offset by increases insurance.

Inflation Contingency

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

Income

<u>2016/2017 Projection</u>	<u>2017/2018 Preliminary Estimate</u>
The increase in income compared to 2016/2017 budget is due to:- a) Income from Licence tolls b) Introduction of whelk licences c) Increased sampling charges d) Other chargeable activities. e) Fines and costs	Income for 2017/2018 estimated to increase as a result of further increases to sampling charges and licence income.

Reserves

The amounts held in EIFCA's ear-marked reserves estimated at 30.09.2016 are set out below:

	£
ICT Fund	10,000
Legal and Enforcement Fund	92,500
Office Improvement Fund	10,000
Operational Fund	150,000
Research Fund	89,921
DEFRA Grant	18,292
Vehicle Renewals Fund	60,000
Vessel Replacement Fund	<u>1,277,826</u>
	<u>1,708,539</u>

Levies

The resultant Levies on the constituent County Councils from the Preliminary Estimates of Expenditure for 2017/2018 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>2016/2017 Total Levy</u>	535,815	402,531	452,724

(information only)

Feedback from Meeting with Finance Directors

The annual meeting with the Finance Directors was held on 17th October a verbal update will be given at this meeting.

Table 1**Preliminary Estimates of Expenditure 2017/2018**

	2016/2017 Budget Inc. Infl	2016/2017 Act/Proj	2017/2018 Preliminary Estimate
	£	£	£
Salaries & Wages	958,234	903,277	975,410
General Expenditure	224,243	224,550	214,200
Departmental Operational Costs			
Research and Environment	16,500	16,500	16,750
Marine Protection	16,000	20,000	20,500
Communication and Development	7,500	5,000	5,000
Vessels			
Moorings & Harbour Dues	31,300	8,700	12,000
Research Vessel - Three Counties	96,344	86,654	82,500
Enforcement Vessels - John Allen/ANO RIB(S)	63,830	46,789	62,000
Pisces III/Pacific 22	5,770	2,634	7,500
Vessel Hire		23,400	
Vehicles	25,200	22,350	24,750
TOTAL EXPENDITURE	£ 1,444,921	£ 1,359,854	£ 1,420,610
INCOME	42,000	42,000	60,000
EXPENDITURE LESS INCOME	£ 1,402,921	£ 1,317,854	£ 1,360,610
<i>LESS New Burden Funding</i>	394,145	394,145	394,145
LEVY to be funded by County Councils	£ 1,008,776	£ 923,709	£ 966,465
Percentage reduction from Base Levy (£1,329,236)	-24.4%	-30.5%	-26.4%
Assets purchased	202,000	213,000	30,000

Preliminary Estimates of Expenditure 2017/2018**Table 2**

Details of Expenditure - Salaries & Wages and General Expenditure

	2016/2017 Budget Inc. Infl	2016/2017 Projection	2017/2018 Preliminary Estimate
<u>SALARIES</u>			
Staff Remuneration	742,992	696,660	742,992
Superannuation	159,743	135,978	159,743
National Insurance	55,499	70,639	55,499
TOTAL	958,234	903,277	958,234
<u>GENERAL EXPENDITURE</u>			
<i>Accommodation</i>			
<i>(Rent, Rates, Insurances, Utilities)</i>			
Rent	33,625	33,625	34,000
Business Rates	15,830	15,620	16,000
Water Rates	643	650	700
Service Charges	3,455	3,450	3,500
Insurance - Buildings	740	740	800
Insurance Office & General	16,000	6,750	7,000
Electricity	3,520	5,405	3,600
Cleaning	3,250	4,350	3,500
Maintenance & Redecoration	1,050	3,000	1,500
TOTAL	78,113	68,750	70,600
<i>General Establishment</i>			
Advertisements & Subscriptions	15,740	15,000	19,100
Legal & Professional Fees	11,400	28,900	20,000
Telephones (Office & Mobile)	5,000	8,500	9,000
Postage & Stationery	4,650	4,500	6,500
Equipment Hire & Renewals	4,550	12,750	4,000
IT Support (including Citrix)	27,840	32,000	31,500
Uniforms & Protective Clothing	9,090	5,000	3,000
Medical Fees	2,000	2,400	1,500
Recruitment	1,200	1,900	2,000
Sundry Expenditure inc. Meeting Costs	4,230	4,600	3,500
TOTAL	85,700	115,550	100,100
<i>Officers' Travel & Subsistence</i>			
General Travel - Fares, Taxis etc	3,470	3,250	3,000
Subsistence Payments	4,000	4,250	4,250
Overnight Subsistence	5,000	3,500	3,000
Hotel - Accommodation & Meals	7,370	5,250	4,750
TOTAL	19,840	16,250	15,000
<i>Members' Travel</i>	4,800	4,000	3,500
<i>Training</i>	35,790	20,000	25,000
TOTAL GENERAL EXPENDITURE	224,243	224,550	214,200
<u>Departmental Operational Costs</u>			
<i>Research and Environment</i>	16,500	16,500	16,750
<i>Marine Protection</i>	16,000	20,000	20,500
<i>Communication and Development</i>	7,500	5,000	5,000

Preliminary Estimates of Expenditure 2017/2018

Details of Expenditure - Vessels & Vehicles

Table 3

	2016/17 Budget Inc. Infl	2016/17 Projection	2017/2018 Provisional Estimate
<u>MOORINGS & HARBOUR DUES</u>			
Rent - Sutton Bridge Moorings	18,270		1,000
Maintenance	1,030	2,700	3,000
Berthing & Harbour Dues	12,000	6,000	8,000
TOTAL	31,300	8,700	12,000
<u>RESEARCH VESSEL</u>			
<u>Three Counties</u>			
Maintenance & Repairs	19,174	20,000	23,000
Refit	40,000	40,000	32,000
Insurance & Certification	14,281	8,654	11,000
Fuel	22,889	18,000	16,500
TOTAL	96,344	86,654	82,500
<u>ENFORCEMENT VESSELS</u>			
<u>John Allen/Sebastian Terelinck</u>			
Maintenance & Repairs	20,640	24,500	34,000
Upgrade			
Insurance & Certification	18,220	7,289	12,000
Fuel	24,970	15,000	16,000
New Vessel Preliminary Costs			
TOTAL	63,830	46,789	62,000
<u>PiscesIII/replacement</u>			
Maintenance & Repairs	4,000	1,500	1,500
Temporary hire		23,400	
Insurance & Certification	1,020	134	1,500
Fuel	750	1,000	4,500
TOTAL	5,770	26,034	7,500
<u>VEHICLES</u>			
Insurance	5,430	7,600	8,250
Fuel & Sundries	12,720	9,500	10,000
Servicing	5,900	4,000	5,000
Vehicle Tracking	1,150	1,250	1,500
TOTAL	25,200	22,350	24,750

Vision

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Action Item 7

Finance & Personnel Sub-Committee

19th October 2016

Preliminary Forecast of Expenditure for the period 1st April 2018 to 31st March 2022

Report by: Andrew Bakewell – Head of Finance

Purpose of report

To set out the background information and calculations used to determine the Forecast for the years up to 2022. It is stressed that these are preliminary estimates based on past actuals with allowances for known variations and inflation where applicable. These forecast figures have been shared with the Finance Directors from the three County Councils.

Recommendations

Members are asked to consider, note and agree the Forecast of Income and Expenditure for the four years to 31st March 2022.

Background

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

Table also shows the preliminary estimate for 2017/18 as a basis for comparison. The format of Table 1 shows the Total Estimates of Expenditure less Income including 'New Burden' until 2020. The following have been assumed:-

- Salary costs based on currently agreed structure with a full complement of staff.
- Salary inflation at 2% per annum to include annual LGA increase and increments.
- The modest annual savings up to 2020 will be utilised to support asset replacement along with use of reserves.
- Shortfalls of £400k+ arise from 2020 assuming "New Burden" is not replaced.
- A table showing use of reserves over the coming years is also included for information.
- The table is presented as worst case scenario as shortfalls as indicated could not be sustained, it does however give a clear indication of the potential levels of savings and extra income to be found.
- The table of reserves shows a similar picture with reserves depleted in early 2020 figures for 20/21 and 20/22 could not happen in reality they are an indication of the level of extra resource required.
- Three Counties replaced 2018/19.

Forecast to March 2022

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>2021/22</u>
<u>Income</u>					
Levies	996,925	996,925	996,925	996,925	996,925
"New Burden"	394,145	394,145	394,145		
Other	65,000	75,000	85,000	90,000	95,000
Total Income	1,456,070	1,466,070	1,476,070	1,086,925	1,481,070
<u>Expenditure</u>					
Staff cost	975,410	995,000	1,015,000	1,035,000	1,056,000
Administration	214,200	220,500	225,000	230,000	235,000
Operations	42,250	43,000	45,000	47,000	49,000
Vessels	164,000	165,000	155,000	156,000	160,000
Vehicles	24,750	25,500	26,000	27,000	30,000
<u>Total</u>	1,420,610	1,449,000	1,466,000	1,495,000	1,530,000
Surplus/Shortfall	35,460	17,070	10,070	(408,075)	(443,075)

Reserves

The amounts held in EIFCA's ear-marked reserves estimated at 30.09.2016 are set out below:

	£
ICT Fund	10,000
Legal and Enforcement Fund	92,500
Office Improvement Fund	10,000
Operational Fund	150,000
Research Fund	89,921
DEFRA Grant	18,292
Vehicle Renewals Fund	60,000
Vessel Replacement Fund	<u>1,277,826</u>
	<u>1,708,539</u>

Movement in reserves

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Opening	1,672,747	1,461,252	1,464,712	84,782	82,852	(337,223)
Revenue	31,255	35,460	17,070	10,070	(408,075)	(443,075)
Additions	2,750					
Utilised	(240,000)	(32,000)	(1,397,000)	(12,000)	(12,000)	(32,000)
Balance	1,461,252	1,464,712	84,782	82,852	(337,223)	(812,298)

Table 1**Preliminary Estimates of Expenditure 2017/2018**

	2016/2017 Budget Inc. Infl	2016/2017 Act/Proj	2017/2018 Preliminary Estimate
	£	£	£
Salaries & Wages	958,234	903,277	975,410
General Expenditure	224,243	224,550	214,200
Departmental Operational Costs			
Research and Environment	16,500	16,500	16,750
Marine Protection	16,000	20,000	20,500
Communication and Development	7,500	5,000	5,000
Vessels			
Moorings & Harbour Dues	31,300	8,700	12,000
Research Vessel - Three Counties	96,344	86,654	82,500
Enforcement Vessels - John Allen/ANO RIB(S)	63,830	46,789	62,000
Pisces III/Pacific 22	5,770	2,634	7,500
Vessel Hire		23,400	
Vehicles	25,200	22,350	24,750
TOTAL EXPENDITURE	£ 1,444,921	£ 1,359,854	£ 1,420,610
INCOME	42,000	42,000	60,000
EXPENDITURE LESS INCOME	£ 1,402,921	£ 1,317,854	£ 1,360,610
<i>LESS New Burden Funding</i>	394,145	394,145	394,145
LEVY to be funded by County Councils	£ 1,008,776	£ 923,709	£ 966,465
Percentage reduction from Base Levy(£1,329,236)	-24.4%	-30.5%	-26.4%
Assets purchased	202,000	213,000	30,000

Preliminary Estimates of Expenditure 2017/2018**Table 2**

Details of Expenditure - Salaries & Wages and General Expenditure

	2016/2017 Budget Inc. Infl	2016/2017 Projection	2017/2018 Preliminary Estimate
<u>SALARIES</u>			
Staff Remuneration	742,992	696,660	742,992
Superannuation	159,743	135,978	159,743
National Insurance	55,499	70,639	55,499
TOTAL	958,234	903,277	958,234
<u>GENERAL EXPENDITURE</u>			
<i>Accommodation</i>			
<i>(Rent, Rates, Insurances, Utilities)</i>			
Rent	33,625	33,625	34,000
Business Rates	15,830	15,620	16,000
Water Rates	643	650	700
Service Charges	3,455	3,450	3,500
Insurance - Buildings	740	740	800
Insurance Office & General	16,000	6,750	7,000
Electricity	3,520	5,405	3,600
Cleaning	3,250	4,350	3,500
Maintenance & Redecoration	1,050	3,000	1,500
TOTAL	78,113	68,750	70,600
<i>General Establishment</i>			
Advertisements & Subscriptions	15,740	15,000	19,100
Legal & Professional Fees	11,400	28,900	20,000
Telephones (Office & Mobile)	5,000	8,500	9,000
Postage & Stationery	4,650	4,500	6,500
Equipment Hire & Renewals	4,550	12,750	4,000
IT Support (including Citrix)	27,840	32,000	31,500
Uniforms & Protective Clothing	9,090	5,000	3,000
Medical Fees	2,000	2,400	1,500
Recruitment	1,200	1,900	2,000
Sundry Expenditure inc. Meeting Costs	4,230	4,600	3,500
TOTAL	85,700	115,550	100,100
<i>Officers' Travel & Subsistence</i>			
General Travel - Fares, Taxis etc	3,470	3,250	3,000
Subsistence Payments	4,000	4,250	4,250
Overnight Subsistence	5,000	3,500	3,000
Hotel - Accommodation & Meals	7,370	5,250	4,750
TOTAL	19,840	16,250	15,000
<i>Members' Travel</i>	4,800	4,000	3,500
<i>Training</i>	35,790	20,000	25,000
TOTAL GENERAL EXPENDITURE	224,243	224,550	214,200
<u>Departmental Operational Costs</u>			
<i>Research and Environment</i>	16,500	16,500	16,750
<i>Marine Protection</i>	16,000	20,000	20,500
<i>Communication and Development</i>	7,500	5,000	5,000

Preliminary Estimates of Expenditure 2017/2018

Details of Expenditure - Vessels & Vehicles

Table 3

	2016/17 Budget Inc. Infl	2016/17 Projection	2017/2018 Provisional Estimate
<u>MOORINGS & HARBOUR DUES</u>			
Rent - Sutton Bridge Moorings	18,270		1,000
Maintenance	1,030	2,700	3,000
Berthing & Harbour Dues	12,000	6,000	8,000
TOTAL	31,300	8,700	12,000
<u>RESEARCH VESSEL</u>			
<u>Three Counties</u>			
Maintenance & Repairs	19,174	20,000	23,000
Refit	40,000	40,000	32,000
Insurance & Certification	14,281	8,654	11,000
Fuel	22,889	18,000	16,500
TOTAL	96,344	86,654	82,500
<u>ENFORCEMENT VESSELS</u>			
<u>John Allen/Sebastian Terelinck</u>			
Maintenance & Repairs	20,640	24,500	34,000
Upgrade			
Insurance & Certification	18,220	7,289	12,000
Fuel	24,970	15,000	16,000
New Vessel Preliminary Costs			
TOTAL	63,830	46,789	62,000
<u>PiscesIII/replacement</u>			
Maintenance & Repairs	4,000	1,500	1,500
Temporary hire		23,400	
Insurance & Certification	1,020	134	1,500
Fuel	750	1,000	4,500
TOTAL	5,770	26,034	7,500
<u>VEHICLES</u>			
Insurance	5,430	7,600	8,250
Fuel & Sundries	12,720	9,500	10,000
Servicing	5,900	4,000	5,000
Vehicle Tracking	1,150	1,250	1,500
TOTAL	25,200	22,350	24,750

Vision

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



Information Item 10

Finance & personnel Sub-Committee Meeting

19 October 2016

Report by: Nichola Freer, Head of HR

Purpose of report

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

Recommendations

It is recommended that members:

- **Note** the contents of the report

Background

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

Update of specific activity

The key activity for 2016 focuses on:

- Developing line manager capability
- Developing the performance review process
- Review of current organisational structure
- Employee engagement
- Management systems

Staff leaving & structural review

Since the last report, we have seen 3 members of staff tender their resignations. This has left 2 vacancies in the marine enforcement team and one within the environment team.

As we have done previously, the Executive team are currently undertaking a structural review before advertising any vacancies. A number of factors need to be taken into

account, such as the outcome of the current CEO secondment (which we are due to hear about in the coming weeks) and the use of the agile office space we have secured within the CEFAS offices at Lowestoft.

Members are to be reassured that short term measures are in place so as not to detrimentally impact day to day operations.

Policy review – update to flexible working

The Head of HR periodically reviews the Authority's people policies and processes to make sure that they comply with current employment law and best practice. The latest policy to be reviewed and updated is flexible working. The updated policy is attached for information in appendix 1.

Best employers survey

Information item 11 details the outputs of this years' survey.

The Head of HR and acting CEO attended a workshop run by ERAS to gain a more detailed understanding of the survey and interpretation of the results. This will support the development of the employee engagement plan going forward.



Flexible Working Policy

Contents

1. Introduction
2. What is flexible working?
3. Examples of flexible working
4. The needs of the business
5. Submitting a flexible working request
6. Meeting to discuss the application
7. Responding to a flexible working request
8. Trialling new working arrangements
9. Appeals
10. Changes to an employee's contract
11. Summary of the process
12. Further information

1. Introduction

The Authority recognises that a better work-life balance can improve employee motivation, performance and productivity and also reduce stress. The Authority wants to support its employees achieve a better balance between work and their other priorities.

It is the Authority's policy to encourage open discussion with employees. An employee who thinks they may benefit from flexible working is encouraged to contact their head of function to arrange an informal discussion to talk about the options.

The Authority is committed to agreeing any flexible working arrangements, provided that the needs and objectives of both the business and the employee can be met.

2. What is flexible working?

Flexible working is an attempt to re-arrange the way an employee works to assist them in meeting their commitments outside work, whilst not adversely affecting the business.

Not all types of flexible working can be accommodated in every role within the Authority, however we will give serious consideration to every request and attempt to find an acceptable solution.

Any changes to flexible working will usually involve a trial period of three months to assess the suitability of the new arrangements. If the arrangements are not successful, the employee's line manager will explain this and the employee will be required to return to their previous working arrangements. If the trial period is successful, the new arrangements will become a permanent change to the employee's contract of employment and this will be confirmed in writing. If an employee is only requesting a temporary change to their working arrangements, then they should explain this to their manager at the outset, and any changes will not become permanent.

3. Examples of flexible working

The following flexible working options are considered to be the typical arrangements that employees will request, however the Authority recognises that there may be alternatives or a combination of options which are suitable to both the organisation and the employee:

Working patterns:

Employees may want to change their working pattern to meet commitments outside of work. This may involve a pattern without early starts for example, to allow the employee to take their child to school.

Job sharing:

This is where 2 people complete one role on a shared basis. It would be the employee's responsibility to ensure that handovers are complete and effective and that consistency is maintained.

Part time:

This covers any arrangement where an employee is contracted to work anything less than typical full time hours.

Flexitime:

Employees may request a less rigid approach to the times that their contractual hours are worked in any given week. This may involve some early starts or late finishes on certain days, to be balanced within the space of a week. These schemes usually have a core time that must be worked and are dependent upon the needs of the department and the provision of adequate staffing levels at all times.

Working from home:

This option will not be possible in every job within the Authority, but on occasion, working from home should be considered as a realistic and viable alternative to working at the office. This may be a particular possibility if your role requires a specific report or project completion to a rigid deadline.

Compressed hours:

This is where you work your full time hours over fewer days.

Term-time working:

This is where an employee reduces their hours or takes time off during any school holidays. Any weeks above their annual leave entitlement will be unpaid.

Phased retirement:

The default retirement age has been phased out and older workers can choose when they want to retire. This means that they can choose to request to reduce their hours and work part time.

4. The needs of the business

The Authority is committed to providing a range of appropriate working patterns. However, employees and management need to be realistic and to recognise that not all flexible working options will be appropriate for all roles.

Where a flexible working arrangement is proposed, the Authority will need to take into account a number of criteria including (but not limited to) the following:

- The costs associated with the proposed arrangement
- The effect of the proposed arrangement on other employees
- The need for, and effect on supervision
- The existing structure of the department
- The availability of staff resources
- Details of the tasks specific to the role
- The workload of the role
- Whether it is a request for a reasonable adjustment related to a disability
- Health & safety issues

5. Submitting a flexible working request

Any employee with at least 26 weeks of employment service has a statutory right to request flexible working.

An eligible employee is entitled to submit one flexible working request in a twelve-month period (an employee is entitled to additional requests if they relate to a statutory entitlement e.g. the Equality Act 2010 right to request reasonable adjustments).

Requests should be made by completing the application form FW01 that is available from line managers. Any request made must include:

- The date of the application
- The changes that the employee is seeking to their terms and conditions
- The date from when the employee would like the proposed changes to come into effect
- What effect the employee thinks the requested change would have on the organisation
- How, in their view, any such effect could be dealt with
- Whether this is a statutory or non-statutory request
- Whether a previous application for flexible working has been made
- The dates of any previous applications

If the employee is making a request in relation to the Equality Act, e.g. as a reasonable adjustment relating to a disability, this should be made clear in the application.

If an application does not contain all of the required information, a member of the management team will explain to the employee what additional or amended information they need to provide and ask the employee to resubmit the request.

Employees should note that under the right it may take up to 3 months for the Authority to consider a request and possibly longer where the employee has agreed to a longer decision period with the Authority. Individuals should therefore ensure that applications are submitted to the appropriate person well in advance of the date they wish the request to take effect.

6. Meeting to discuss the application

Upon receiving a written request for flexible working, the line manager (and / or HR) will usually seek to arrange a meeting with the employee to:

- Discuss the request
- Find out more about the proposed working arrangements
- How it could be of benefit to both the employee and Authority

If a meeting is arranged it will be held within **28 days** of the Authority receiving the written request. This time limit may be extended with the agreement of both the employee and Authority.

The employee will be given advance notice of the time, date and place of the meeting. If the initial date is problematic, then one further date will be proposed. The employee is required to contact the manager if for any reason they cannot attend the arranged meeting as possible before the meeting date with a reasonable explanation as to why.

At the meeting the employee may, if they wish, be accompanied by a work colleague or a trade union representative if they are a member of that union.

If the employee fails to attend both the initial and re-arranged meetings without good reason, their application will be deemed to have been withdrawn.

7. Responding to a flexible working request

The Authority will consider the proposed flexible working arrangements, looking at the potential benefits and adverse effects to the employee and business in implementing the proposed changes.

Each request will be considered on a case-by case basis. Agreeing to one request will not set a precedent or create the right for another employee to be granted a similar change to their working pattern.

The employee will be informed in writing of the Authority's decision usually within 14 days after the meeting. The request may be either:

- Granted in full
- Granted in part
- Refused

The Authority may propose a modified version of the request, the request granted on a temporary basis, or the employee may be asked to try the flexible working arrangement for a trial period. If the request is agreed, then the employee will be sent a confirmation letter which will include details of the new arrangement. The employee should contact the HR department within 14 days if they wish to discuss the new arrangements further, or if they have any concerns.

8. Trialling new working arrangements

Where there is some uncertainty about whether the flexible working request is practicable for the employee and/or the Authority, a trial period may be agreed. If a trial period is arranged, then the Authority will allow sufficient time (usually between 4 – 12 weeks) to monitor the effect of the new working practices before taking a decision on the viability of the new arrangement.

9. Appeals

The employee has the right to appeal the decision made.

If an individual wishes to appeal, they should do so in writing within 14 days of receiving confirmation of the decision.

A subsequent meeting with an appropriate manager will be arranged to consider the appeal, at which the employee may be accompanied by a work colleague or trade union representative, if they are a member. The manager who heard the appeal will write to the employee to confirm the decision taken within 14 days of the meeting. This decision will be final.

If an employee misses 2 appeal meetings without good reason, the Authority can treat the appeal as withdrawn. The individual will not be able to make another application for 12 months.

10. Changes to an employee's contract

If the employees' request for flexible working is successful, then a new contract of employment will be issued confirming the changes. This will be a permanent change to the individual's terms and conditions of employment.

Where a trial period has been agreed, a new contract will be issued upon completion of the trial period, so long as the working arrangements have been accepted. Where the trial period has proved unworkable, the employee's current contract of employment will remain unchanged.

11. Summary of the process

A summary of the steps for making an application are as follows:

- The employee should write to their manager using the form FW01 *flexible working request*
- The manager should request a meeting with the individual within 28 days of receiving the flexible working request
- The manager will write to the employee usually within 14 days after the meeting to confirm the decision taken.
- If the employee disagrees with the decision taken, they should appeal in writing within 14 days of receiving confirmation of the managers' decision.
- If the flexible working request is successful, a new contract of employment will be issued confirming the changes. This will be a permanent change to the employee's terms and conditions of employment. In some cases, the manager may agree to a trial period of up to 12 weeks before agreeing to a permanent change to the working pattern

An employee will only be able to apply to request flexible working under these arrangements once during any 12-month period.

12. Further information

For further information, an employee should refer to the documents listed below and / or contact the HR department.

Employment Rights Act 1996
Equality Act 2010
Flexible Working Regulations 2014

Vision

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Information Item 11

EIFCA - Finance & Personnel Sub-Committee meeting

19 October 2016

Report by: Nichola Freer, Head of HR

Purpose of report

To provide members with a summary of the results of the 2016 'Best Employers' survey.

Recommendations

It is recommended that Members:

- **Note** the contents of the report

Report

Background

The 'Best Employers' survey is now an established externally run process that measures an organisations culture, values and leadership. The survey runs bi-annually and has been created by two well-known local companies; Eras, who are the providers of psychometric products and training solutions and Pure Resourcing who are recruitment specialists.

The survey is now in its third term and Eastern IFCA has taken part in all 3, the most recent one being in June 2016. The outcomes of the previous surveys were reported in 31/10/12 Statutory meeting and 15/10/14 Finance & Personnel sub-committee meeting.

Outcome from June 2016 survey

Once again we received a 100% employee response. This demonstrates that our people are bought into the process and helps the validity of the results.

A comparison of the 2016 results against those from 2014 and 2012 is shown in appendix 1. Employee perception is comparable, in most cases, with where it was in 2012, with all results sitting between moderate and fairly high. No score has dipped below the benchmark. It would appear a little disappointing that the 2014 results were not replicated, however the following considerations should be taken into account:

- As efforts to develop the organisational culture are met, employee expectations increase – the bar always moves up

- The organisation has seen some significant change / events, which while creating positive progress for the wider business, can often be perceived as unsettling for some as change tends to alter one's familiarity and 'comfort zone':
 - Marine protection review
 - Re-branding of the marine protection team job roles and revised job descriptions
 - Defra's marine review
 - CEO carrying out a lengthy secondment away from EIFCA with interim management arrangements being put in place that affect several individuals
 - A number of internal temporary moves to accommodate the CEO secondment
- The relatively small number of employees means that one individual's perception can have a disproportionate impact
- Employee perception in 2016 is moderate / fairly high – it is not a poor outcome

Next steps

The Head of HR and Acting CEO have attended a workshop run by Eras, one of the survey creators, to help support the development of the employees' engagement plan. The plan will be created over the coming weeks with the involvement of the whole workforce. It is important that the plan is owned by the whole workforce and is not seen as a management task.

Appendices

Appendix 1 – Engagement survey comparison table 2016

Background papers

31 October 2012 Statutory meeting

15 October 2014 Finance & Personnel sub-committee meeting

Appendix 1

Culture & Values	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: Pink – EIFCA result 2012
 Blue – EIFCA 2014
 Purple – EIFCA 2016