



Inshore Fisheries and
Conservation Authority

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

to be held at

King's Lynn Town Hall, Saturday Market Place,

King's Lynn, PE30 5DG

on

3rd August 2021

at

10.30 hours

Vision

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



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

Date: 3rd August 2021

Time: 10.30 hours

Venue: Assembly Room, King's Lynn Town Hall, Saturday Market Place, King's Lynn PE30 5DQ

Revised 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 2nd February 2021
- 5 Matters Arising - *Clerk*
- 6 Quarter 1 Payments and Receipts – *Hd Finance & HR*
- 7 Quarter 1 Management Accounts – *Hd Finance & HR*
- 8 Annual Statement of Accounts (Draft)for year ending March 2021 – *Hd Finance & HR*
- 9 Wash Fishery Order Licence Fees – *Hd Finance & HR*
- 10 External Audit of Statement of Accounts for year ended 31st March 2020.
- 11 Vessel disposal and replacement – *Head of Operations*
- 12 *To resolve that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for item 11 on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 1 of Schedule 12A of the Act.*

Information Items

- 13 HR Update – *Hd Finance & HR*
- 14 Any other urgent business

To consider any other items which the Chair is of the opinion are matters of urgency by reason of special circumstances which must be specified

Julian Gregory
Chief Executive Officer
Date: 19th July 2021

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**Finance & HR Sub-Committee**

A meeting of the Finance & HR Sub-Committee took place via Microsoft Teams video conferencing in accordance with the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 (Statutory Instrument 2020 no.392), on 27th April 2021 at 1030 hours.

Members Present:

Cllr P Skinner	Chair	Lincolnshire County Council
Dr S Bolt		MMO Appointee
Cllr M Chenery of Horsbrugh		Norfolk County Council
Cllr T FitzPatrick	Vice Chair	Norfolk County Council
Cllr T Goldson		Suffolk County Council
Cllr M Vigo Di Gallidoro		Suffolk County Council
Mr S Williamson		MMO Appointee

Eastern IFCA Officers Present:

A Bakewell	Head Finance & HR
J Gregory	Chief Executive

FHR21/16 Welcome

The Chairman welcomed members to the meeting.

The CEO advised members the membership for the sub-committee was down by one as Mr Worrall had completed maximum service on the Authority.

FHR21/17 Apologies for absence

Apologies for absence were received from Cllr Coupland (LCC) and Cllr Collis (NCC).

FHR21/18 Declarations of Members Interest.

There were no additional interests declared.

FHR21/19 Minutes of the Finance and Personnel Sub-committee meeting held on 2nd February 2021

Members Agreed to sign the Minutes as a true reflection of the meeting.

FHR21/20 Matters Arising

The CEO advised the Vessel Procurement process was progressing, and that a joint press release with Goodchild Marine had been put out last week announcing the award of the contract.

Plans for the deckhouse were being finalised and the build was on track to begin later in the year.

FHR21/21 Quarter 4 Payments and Receipts

The Head of Finance & HR advised these were figures for the fourth quarter, he was in the process of completing the Annual Accounts.

Notable expense within this quarter was the gearbox overhaul on Three Counties which was £27k and had not been included in the budget. All other expenses were in line with expectations.

One Levy payment had been received just prior to the end of the financial year but this related to the 2021/2022 budget.

Members Resolved to accept the paper.

Proposed: Cllr Goldson

Seconded: Cllr Vigo Di Gallidoro

All Agreed

FHR21/22 Management Accounts for the 4th Quarter of the 2021/22 Financial Year

Early indications were that a saving or £11,729 would be made. However, there was grant funding expected for the Operation Blake Project which would apply to the 21/22 financial year, therefore the saving was likely to be closer to £40,000.

Members Agreed to note the Management Accounts

FHR21/22 HR Update

Members were advised that at the previous meeting it was noted the Grade 5 IFCO role had been filled in house. This staff member had subsequently taken up alternative employment and the post remained vacant.

The decision had been made to keep both the Grade 5 IFCO and Grade 5 MSO post vacant until future funding from Defra had been decided on. Whilst the current financial year was thought to be secure there were concerns that in future years it may not be guaranteed.

The Fixed Term Project Officer role had been filled with the successful applicant expected to begin work on 17th May.

Members were advised that initial discussions with staff were taking place with regard to returning to office working. The CEO advised that it was not intended to rush back to the office, he felt it was prudent to see how the situation unfolded. Following a staff Welfare Review he was content the staff were in a good place and working well.

Cllr Goldson emphasised the need not to be complacent, whilst Covid figures were currently decreasing there was no guarantee this would be maintained, he recommended caution.

It was suggested flexible work patterns might be the way forward.

In line with Covid it was noted the legislation for online meetings would soon expire. Whilst a challenge was being made to have it extended if this did not come to fruition it was noted there were potential difficulties for future full authority meetings whilst Covid restrictions were in place.

It was suggested consideration be given to postponing the next full-authority meeting until after the anticipated date for restrictions to be lifted, which would also allow time for County Councils to hold AGMs and allocate members to the Authority in the event of current members not being re-elected,

Members Agreed to note the paper

FHR21/23 Any Other Business

The CEO advised that whilst working on the North Norfolk MCZ it had become apparent the iVMS would be beneficial. As the national project was moving at a relatively slow pace some relatively inexpensive units had been identified. It was anticipated EIFCA would provide vessels working within the relevant area with iVMS units, purchased from within budget limits. As no additional expenditure was anticipated members agreed this was a sensible suggestion.

There being no other matters to discuss the meeting closed at 1048 hours.

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Action Item 6

Finance and HR sub-committee meeting

3rd August 2021

Report by: Andrew Bakewell – Head of Finance & HR

Payments made and monies received during the period 1st April 2021 to 30th June 2021 (Quarter 1)

Recommendations

Members are asked to:

- **Note** the content of the paper
-

Background

It is an audit requirement that the Authority's receipts and payments are presented to Members on a quarterly basis.

The report on Payments made and monies received during the period 1st April to 30th June 2021 are shown in the following tables.

The payments have been made in accordance with EIFCA's Financial Regulations and the necessary processes and approvals have been carried out.

Background documents

There are no background documents to this paper.

**Finance Officer's Report on Payments Made and Monies Received during the period
1st April to 30th June 2021**

Payments made during the period 1st April 2021 to 30th June 2021

	Month 1 £	Month 2 £	Month 3 £	TOTAL £
Transfers to EIFCA Salaries Acct.		200,000.00		200,000.00
Rent, Rates & Service Charges	1,967.31	1,709.39	11,150.35	14,827.05
General Establishment	47,541.13	4,216.26	12,482.72	64,240.11
Legal Fees		378.00	3,452.00	3,830.00
Staff Travelling & Subsistence	897.62	562.09	317.06	1,776.77
Members' Allowances	55.31			55.31
Training	10,175.00	1,218.33	7.00	11,400.33
Moorings/Harbour Dues	2,577.37			2,577.37
Three Counties Operating Costs	3,082.71	2,011.23	25,353.09	30,447.03
FPV JA & ST –Operating Costs	1,202.75	1,214.65	4,685.17	7,102.57
Vehicle Operating Costs	1,545.90	1,142.80	1,267.34	3,956.04
Communication and Development				
Marine Science	635.66	6,743.34	8,351.61	15,730.61
Enforcement	1,068.70	3,433.12	2,137.21	6,639.03
Wash & Nth Norf. EMS Project	6.99	6.99	6.99	20.97
WFO	17,699.00		3,908.57	21,607.57
Petty Cash				
VAT recoverable (Quarter)	14,266.07	3,920.97	5,104.16	23,291.20
Grant funded project			30.00	30.00
TOTAL PAYMENTS MADE	102,721.52	226,557.17	78,253.27	407,531.96

Monies received during the period April 2021 to June 2021

	Month 1 £	Month 2 £	Month 3 £	TOTAL £
Levies	727,314.00			727,314.00
Defra funding	266,419.00			266,419.00
Asset replacement	107,258.00			107,258.00
WFO – Licences	660.00	660.00	9,570.00	10,890.00
EMFF Grants				
Whelk licences	310.00		669.00	979.00
Wash & North Norfolk Coast EMS				
VAT		55,339.88		55,339.88
Fixed Penalty Fine			746.64	746.64
EHO sampling	4,608.00			
Lay rents		1,246.62	193.86	1,440.48
Court costs				
Interest		1.80		1.80
Asset Sales				
Miscellaneous	4.87		8.83	8.83
TOTAL MONIES RECEIVED	1,106,573.87	57,248.30	11,188.33	1,175,010.50

Expenses –

Rent, Rates etc Month 3 includes Qtrly rent for Offices and Unit A

WFO Fund £17.7k (Mth 1) Economic Assessment of fishery.

General Establishment – Mth 1 AIFCA subs £12k, IT Support (annual) £25.2k, Mth 3 Insurance £8k

Training – Mth 1 Annual contribution to AIFCA Training Officer £8.5k

Three Counties – Mth 3 £22k Vessels Insurance

Marine Science – Mth 2 Bird Study £5k, Mth 3 Equipment Insurance £5k

Income –

Mth 1 includes NCC & SCC Levies, LCC rec'd 20/21

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**Action Item 7****Finance and HR sub-committee meeting**

3rd August 2021

Report by: Andrew Bakewell – Head of Finance and HR

Report on the Management Accounts for the 1st quarter of the 2021/22 financial year**Purpose of report**

To provide 1st Quarter Management Accounts for members to note.

Recommendations:

Members are asked to:

- **Note** the Management Accounts

Explanatory Notes

Salaries and on costs		overall in line with budget.
General expenditure	(5,110)	invoice timing
Enforcement	(510)	Interview tape machine £2.6k
Marine Science	(7,771)	Bird study £5.0k GPS Trackers £1.3k
Vessels	1,384	
Vehicles	-	
Income	(2,943)	EHO o/s £4.5k
Operation Blake	(30)	

Management Accounts Financial Year 2021/2022

	ACTUAL	BUDGET	VARIANCE	MEMO
	Year to Date Qtr 1 £	Year to Date Qtr 1 £		Budget For Year £
<u>SALARIES & WAGES</u>				
Staff Remuneration	193,506	200,000	6,494	849,500
Pension	44,748	41,200	(3,548)	175,000
National Insurance	20,178	19,900	(278)	85,500
TOTAL	258,432	261,100	2,668	1,110,000
<u>GENERAL EXPEND</u>				
Accommodation	14,827	16,000	173	63,385
Insurance	7,900	8,600	700	8,600
General Establishment	57,810	52,000	(5,810)	96,060
Officers' Expenses	1,773	3,000	1,227	15,000
Members' Travel	55	500	445	2,000
Training	11,400	11,500	100	20,000
TOTAL	93,765	91,600	(2,165)	205,045
<u>Media & Comms</u>				
Enforcement	9,010	8,500	(510)	25,000
Marine Science	10,771	3,000	(7,771)	12,000
Operation Blake	30		(30)	
<u>VESSELS</u>				
Moorings/Harbour Dues	2,702	4,500	1,798	6,000
<u>Vessel Operating Costs</u>				
Three Counties	8,296	5,000	(3,296)	48,500
FPVs JA & ST	7,102	10,000	2,898	39,000
Vessels insurance	22,156	22,140	(16)	22,140
TOTAL	40,256	41,640	1,384	115,640
<u>VEHICLES</u>				
Operating Costs	14,500	14,500		27,800
TOTAL	14,500	14,500		27,800
Contingency		6,250	6,250	25,000
TOTAL EXPENDITURE	426,764	426,840	76	1,521,485
<u>INCOME</u>				
Bank Interest	11	10	1	10,050
Levies	1,473,248	1,473,248		1,473,248
WFO Licence	10,890	8,000	2,890	16,000
Whelk licences	979	1,500	(521)	6,000
Asset replacement	159,135	159,135		159,135
Other	747	500	247	2,000
EMFF Grants				
EHO sampling		4,500	(4,500)	18,000
Lay rents	1,440	2,500	(1,060)	3,000
TOTAL INCOME	1,646,450	1,649,393	(2,943)	1,687,433
Reserve movement			(2,867)	165,948

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Action Item 8

Finance & HR Sub-Committee

3rd August 2021

Statement of Accounts for Eastern Inshore Fisheries & Conservation Authority for the year ended 31st March 2021

Report by: Andrew Bakewell – Head of Finance & HR

Purpose of report

To present the annual statement of accounts for the year ended 31st March 2021.

Recommendations

Members are asked to:

1. **Approve** the Statement of Accounts for submission for external examination.
2. **Authorise** the Chairman and Chief Executive to sign the Annual Return before submission to the auditors for review.
3. **Authorise** in accordance with the Authority's Financial Regulation 3.4, transfers of funds to and from 'ear-marked' reserves as outlined in the Statement of movement in reserves below.

Appendices

Appendix A - Eastern Inshore Fisheries & Conservation Authority Statement of Accounts for the year ended 31st March 2021 (attached)

Appendix A

EASTERN INSHORE FISHERIES AND CONSERVATION AUTHORITY

Statement of Accounts for the year ended 31st March 2021

Foreword

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

The Account statements are centred on the Audit Commission Small Bodies Annual Return, which will be completed and certified by the Chairman and CEO at a later date.

The accounting statements forming the basis of the return are:

1. The Income and Expenditure Account for the year ended 31st March 2021
2. The Balance sheet as at 31st March 2021.

3. A statement detailing movement on reserves.

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

4. A schedule of Fixed Assets held at 31st March 2021. Fixed Assets are valued at cost with no allowance for depreciation. By this method the “book value” of fixed assets remains constant until disposed of.
5. Notes relevant to the above statements.

2020/21 Outturn

Below the comparison of Actual results with the 2020/21 Budget by main headings

	2020/21 Budget	2020/21 Actual
	£	£
Salaries	1,135,875	1,065,182
General Expenditure	212,395	198,095
<u>Operating Costs</u>		
Media and Publicity	1,000	984
Marine Protection	25,000	16,890
Marine Science	12,000	19,585
Moorings	5,000	6,709
Three Counties	64,000	90,409
Patrol Vessels	44,000	35,545
Vehicles	26,700	32,167
Operation Blake		64,609
Asset purchases		181,831
TOTAL EXPENDITURE	1,525,970	1,712,006
<u>INCOME</u>		
Miscellaneous Income	80,000	197,231
Asset replacement	154,500	154,501
TOTAL INCOME	234,500	351,732
EXPENDITURE less INCOME	1,291,470	1,360,274

Consolidated Balance Sheet at 31st March 2021

31/03/2020		31/03/2021
£	CURRENT ASSETS	£
59,907	Debtors	90,424
583,790	Suffolk County Council Deposit	584,775
2,679,140	Cash at bank	2,661,552
190	Cash in hand	489
	CURRENT LIABILITIES	
-916,895	Creditors	-862,849
2,406,132	NET CURRENT ASSETS	2,474,391
	EAR-MARKED RESERVES	
10,000	ICT fund	10,000
30,000	IVMS Fund	30,000
21,750	Fixed Penalty Fund	21,750
75,000	Legal and Enforcement Fund	75,000
10,000	Office Improvement Fund	10,000
150,000	Operational Fund	150,000
78,169	Research Fund	78,169
60,000	Vehicle Renewals	60,000
18,292	Environment Grants	18,292
1,809,526	Vessel Replacement Fund	1,850,016
110,447	Wash Fishery Order Fund	110,247
32,948	Wash and North Norfolk Partnership Fund	60,917
2,406,132		2,474,391

**Reconciliation between Box 7 and Box 8 in Section 1
(31/03/2021)**

Eastern Inshore Fisheries and Conservation Authority

	£	£
Box 7 Balances carried forward (31/03/2021)		2,474,391
Deduct -		
- Debtors	23,403	
- HMRC (VAT)	<u>67,021</u>	
Total deductions		-90,424
Add		
- Creditors	862,849	
Total additions		862,849
Cash and short term investments		3,246,816

EASTERN INSHORE FISHERIES AND CONSERVATION AUTHORITY					
Income and Expenditure Account for the year ended 31st March 2021					
2019-2020			2020_2021		
£	£	INCOME	£	£	£
1,037,200		Levies	1,057,944		
394,145		New Burden Funding	394,145		
150,000		Asset replacement	154,501		
3,639		Fines and costs			
10,243		Interest	5,048		
67,596		Miscellaneous income	48,100		
	1,662,823	sub-total		1,659,738	
67,229	67,229	Grants	89,559		
3,200		Interest on SCC deposit	3,200		
		Wash Fishery Order	-		
38,721		Wash & North Norfolk Project	51,324		
	41,921	sub-total		144,083	
	1,771,973	TOTAL INCOME			1,803,821
 EXPENDITURE					
1,029,747		Salaries	1,065,182		
204,984		General Expenditure	198,095		
201		Media and Publicity	984		
18,267		Marine Science	19,585		
21,329		Marine Protection	16,890		
6,884		Moorings	6,709		
80,218		Three Counties	90,409		
24,944		Patrol Vessels	35,545		
24,927		Vehicles	32,167		
65,322		Operation Blake	64,609		
22,967		Asset purchases	181,831		
	1,499,790	sub-total		1,712,006	
3,306		Wash Fishery Order	200		
44,777		Wash & North Norfolk Project	23,356		
	48,083	sub-total		23,556	
	1,547,873	TOTAL EXPENDITURE			1,735,562
	224,100	INCOME less EXPENDITURE			68,259

Notes -

Surplus for the year £68,259 made up as follows:-

Salary savings £70,693 vacancy management

Overheads savings £14,300 Staff expenses

Asset operations £(25,080) with overspends on Moorings (£1,709), Three Counties £(26,409) gearbox overhaul and Vehicles £(5,417) offset by savings on Patrol Vessels of £8,455. Three Counties age related issues. Patrol Vessels savings resulted from John Allen being out of service for much of the year.

Marine Protection showed a saving of £8,110 whereas Marine Science overspent (£7,585) mainly due to contribution to Bird Study £5,000.

Unbudgeted costs –

Operation Blake (grant funded) saw costs in the year of £64,609 offset by grant receipts £89,559 inc. £6k for IVMS.

Asset purchase £181,831 inc. Deposit and kit for new vessel

Income –

Asset replacement contribution from the three County Councils of £154,501 has been included as income and transferred within the total surplus to reserves.

Statement of movement in reserves

	opening	used	added	closing
ICT Fund	10,000			10,000
F.A.P.	21,750			21,750
Legal Fund	75,000			75,000
Office refurbishment	10,000			10,000
Operational Fund	150,000			150,000
Research Fund	78,169			78,169
Vehicle replacement	60,000			60,000
Vessel replacement	1,576,064		233,462	1,809,526
Wash Fishery Order	113,753	3,306		110,447
WNNC-EMS	39,004	6,056		32,948
IVMS (10%)	30,000			30,000
Grants	18,292			18,292
Total	2,182,032	9,362	233,462	2,406,132

Notes

Use of reserves (**shown in red**) for the year are related to Wash Fishery Order for expenditure on items to benefit the fishery and Wash and North Norfolk Marine Partnership shortfall in income over costs. Wash Fishery Order reserve is no longer added to as the whole licence fee is treated as Eastern IFCA income. Operating surplus and contributions to asset replacement are all added to Vessel replacement reserve.

EASTERN INSHORE FISHERIES AND CONSERVATION AUTHORITY

FIXED ASSET REGISTER as at 31/03/2020

Acquired	Description	Supplier	Cost £
31/07/2002	RV Three Counties		914,560.00
01/09/2015	Sebastian Terelinck	Redbay	415,188.00
25/04/2013	John Allen	Redbay	144,349.00
12/02/2018	Seaspray 2	Humber	50,546.00
12/02/2018	Seaspray 2 "extras"	Humber	8,592.00
			<hr/>
			1,533,235.00
01/04/2013	Sidescan sonar		53,815.00
01/06/2013	Imaging software		13,343.00
13/06/2013	Underwater camera		28,770.00
30/04/2013	Videoray		11,108.00
12/02/2018	Sonde	Xylem	11,753.00
			118,789.00
20/10/2015	Isuzu D-Max	FX65UXP	17,978.00
21/07/2014	Skoda Yeti 4x4	AJ14NHL	20,350.00
01/08/2014	Skoda Yeti Greenline	AJ14NHM	18,095.00
01/08/2014	Skoda Yeti Greenline	AJ14NHN	18,095.00
18/08/2016	Ford Tourneo	EP16DRO	16,851.00
26/05/2017	Skoda Yeti	AK17EVU	13,909.00
26/05/2017	Skoda Yeti	AK17EWA	16,628.00
26/05/2017	Skoda Fabia	AK17EVW	10,215.00
18/03/2020	Skoda Karoq	AF20KBV	22,967.00
			<hr/>
			155,088.00
Total Fixed Assets			1,807,112.00

Vision

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**Action Item 9****Finance and HR Sub-Committee Meeting**

03 August 2021

WFO Licence Fees

Report by: Andrew Bakewell, Head of Finance & HR

Purpose of Report

To report to members the decision taken by the CEO in conjunction with the Chair and Vice Chair on the level of the WFO Licence Fee for the current year.

Recommendations

It is recommended that members:

- Note the decision of the CEO, Chair and Vice Chair to adopt option 3 (issue all licences at pre-increase levels)

Background

The Authority had previously decided to increase the WFO Licence Fee in stages to a point where a greater degree of the cost associated with enabling and maintaining the Fishery would be recovered.

Report

The process stalled in 2020 as a result of the Covid 19 pandemic which precluded the normal survey necessitating an alternative method to establish the Total Allowable Catch (TAC). This resulted in a fairly modest TAC which combined with the additional difficulties brought on by the pandemic prompted the Authority to set the annual WFO Licence Fee at the pre-increase levels (£330 for a hand work licence).

Recent calculations indicated that the Fee for the current year should be c.£823 the figure that was included in the necessary application to Defra to approve the increase. The approval was delayed beyond the point of several licences needing to be renewed in order for Fishers to start on the designated opening date of the Fishery. The interim arrangement for issuing licences was to charge the same Fee as last year (£330). The reduced fee was applied in the case of 46 of the 59 total licences before the Defra notification of approval for the new Fee was received. The Authority was then faced with 3 options as follows:

1. Increase the Fee for the licences still to be renewed.
2. Increase the Fee for all licences requesting a supplementary payment for the 46 Licences already renewed.
3. Issue the remaining 13 Licences at the pre-increase fee (£330).

Option 3 was chosen and in reaching the conclusion the current condition of the fishery and continuing impact of the pandemic were important significant factors.

Financial Implications

The following levels of income reduction would apply (compared to Budget assumptions):

Option 1 income reduction £14,000

Option 2 additional income £9,000 (Budget based on £678)

Option 3 income reduction £20,000

The Hd of Fin. Is confident that the impact on the budget will be offset by salary and other in-year savings.

Legal Implications

None.

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**Action Item 10****Finance and HR Sub-Committee Meeting**

03 August 2021

External Audit Report

Report by: Andrew Bakewell, Head of Finance & HR

Purpose of Report

To inform members of the outcome of the External Review of the Annual Statement year ended March 2020.

Recommendations

It is recommended that members:

- Note the report.

Background

The authority once again engaged PKF Littlejohn to review the Annual Statement for the year ended 31/03/2021.

Report

As in previous years the Annual Statement was sent to PKF Littlejohn for review and signature. The difference to previous years was the time scale as the Internal Audit by Norfolk Audit Services was performed remotely at a later date than in previous years. The delay was compounded by a problem at PKF Littlejohn who had misplaced our statement, subsequently found. The signed statement along with the letter have now been received with no issues reported.

Legal Implications

None.

Appendices

Appendix A – Audit letter

Mr Bakewell
Eastern Inshore Fisheries and Conservation
Authority
6 North Lynn
Business Village
Bergen Way
King's Lynn
Norfolk
PE30 2JG

Our ref JC0004

Email sba@pkf-l.com

12 May 2021

Dear Mr Bakewell

Eastern Inshore Fisheries and Conservation Authority
Completion of the independent review for the year ended 31 March 2020

We have completed our independent review of the Annual Return for Eastern Inshore Fisheries and Conservation Authority for the year ended 31 March 2020. Please find enclosed the signed Annual Return for your attention.

The review report certificate and report is given in Section 3 of the Annual Return which details any matters arising from the review. The Body must consider these matters and decide what, if any, action is required.

Good practice indicates that you should publish the signed Annual Return.

Fee

We enclose our fee note for the review, which is in accordance with the fee scales set out in our engagement letter. Please arrange for this to be paid **at the earliest opportunity**.

Please return the remittance advice with your payment, which should be sent to:

PKF Littlejohn LLP, Ref: Credit control (SBA), 15 Westferry Circus, Canary Wharf, London, E14 4HD

Please include the reference JC0004 or Eastern Inshore Fisheries and Conservation Authority as a reference when paying by BACS.

Timetable for 2020/21

You have confirmed you would like us to carry out a similar review in respect of the year ended 31 March 2021. The instruction letter and associated documentation will be sent in due course.

Yours sincerely


PKF Littlejohn LLP

Tel: +44 (0)20 7516 2200 • www.pkf-l.com

PKF Littlejohn LLP • 15 Westferry Circus • Canary Wharf • London E14 4HD

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Eastern Inshore Fisheries and Conservation Authority

Notice of conclusion of audit

Annual Return for the year ended 31 March 2020

Sections 20(2) and 25 of the Local Audit and Accountability Act 2014

Accounts and Audit Regulations 2015 (SI 2015/234)

	Notes
<p>1. The audit of accounts for Eastern Inshore Fisheries and Conservation Authority for the year ended 31 March 2020 has been concluded and the accounts have been published.</p> <p>2. The Annual Return is available for inspection by any local government elector of the area of Eastern Inshore Fisheries and Conservation Authority on application to:</p> <p>(a) _____ _____ _____ _____</p> <p>(b) _____ _____ _____</p> <p>3. Copies will be provided to any person on payment of £_____(c) for each copy of the Annual Return.</p> <p>Announcement made by: (d) _____</p> <p>Date of announcement: (e) _____</p>	<p>(a) Insert the name, position and address of the person to whom local government electors should apply to inspect the Annual Return</p> <p>(b) Insert the hours during which inspection rights may be exercised</p> <p>(c) Insert a reasonable sum for copying costs</p> <p>(d) Insert the name and position of person placing the notice</p> <p>(e) Insert the date of placing of the notice</p>

Section 1 – Annual governance statement 2019/20

We acknowledge as the members of

Enter name of
reporting joint committee

EASTERN INSHORE FISHERIES AND CONSERVATION AUTHORITY

our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2020, that:

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

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

FC HA 20/23/REFERENCE

dated 24/08/2020

Signed by:

Chair *P. Shattock* SIGNATURE REQUIRED

dated 18/12/2020

Signed by:

Clerk *D. O'Byrne* SIGNATURE REQUIRED

dated 24/12/2020 X

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

Section 2 – Accounting statements 2019/20 for:

Enter name of reporting joint committee here:

WESTERN INSHORE FINANCIALS AND CONSERVATION AUTHORITY
ENTER JOINT COMMITTEE NAME HERE

	Year ending		Notes and guidance
	31 March 2019 £	31 March 2020 £	
1 Balances brought forward	2,130,561	2,182,032	Total balances and reserves at the beginning of the year as recorded in the joint committee's financial records. Value must agree to Box 7 of previous year.
2 (+) Income from local taxation and/or levy	1,411,008	1,581,345	Total amount of local tax and/or levy received or receivable in the year including funding from a sponsoring joint committee. Excluding any grants received.
3 (+) Total other receipts	121,654	190,628	Total income or receipts as recorded in the cashbook less the taxation and/or levy (line 2). Include any grants received here.
4 (-) Staff costs	1,024,065	1,029,747	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5 (-) Loan interest/capital repayments	-	-	Total expenditure or payments of capital and interest made during the year on the joint committee's borrowings (if any).
6 (-) All other payments	457,326	516,124	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7 (=) Balances carried forward	2,182,032	2,406,132	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6)
8 Total cash and short term investments	3,020,362	3,143,120	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – to agree with bank reconciliation.
9 Total fixed assets plus other long term investments and assets	1,797,645	1,807,112	The original Asset and Investment Register value of all fixed assets, plus other long term assets owned by the joint committee as at 31 March
10 Total borrowings	-	-	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

I certify that for the year ended 31 March 2020 the accounting statements in this annual return present fairly the financial position of the Joint Committee and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:

X *R. Clegg* REQUIRED X
X Date 24/12/2020 V

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

04/08/2020

and recorded as minute reference:

Fe HR 20/23 REFERENCE

Signed by Chair of meeting approving these accounting statements:

MGL REQUIRED
Date 18/12/2020

Section 3 – Review report 2019/20 Certificate

We present the findings from our review of the annual return for the year ended 31 March 2020 in respect of:

Enter name of reporting joint committee here:

EASTERN INSHORE FISHERIES AND CONSERVATION AUTHORITY - JC0004

Respective responsibilities of the Joint Committee and the reviewer

The Joint Committee is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The Joint Committee prepares an annual return which:

- summarises the accounting records for the year ended 31 March 2020; and
- confirms and provides assurance on various governance matters in accordance with generally accepted good practice.

We have reviewed the annual return and set out our findings below. Our work does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and therefore does not provide the level of assurance of a statutory audit.

Report

Matters arising from our review

No matters to report

(continue on a separate sheet if required)

Reviewer signature

Pat Littlejohn CFA

Reviewer

PKF Littlejohn LLP

Date 12/5/21

Vision

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



Action Item 11

Finance and HR Sub Committee meeting

3 August 2021

Vessel Disposal and Replacement

Report by: Jon Butler, Head of Operations

Purpose of report

The purpose of this report is to seek agreement for the sale and disposal of *FPV John Allen* and authority to procure a replacement vessel with capabilities to match the enforcement and research requirements in restricted waters.

Recommendations

It is recommended that members:

- **Agree** to sell FPV John Allen subject to a valuation being sought as to current market value
- **Agree** to establish a Vessel Procurement Panel comprising the Chair of the Authority, Vice Chair, CEO and Head of Operations.
- **Agree** to delegate to the Vessel Procurement Panel authority to oversee and approve the procurement of an enforcement vessel utilising the most appropriate methodology in accordance with relevant procurement legislation and the Authority's Financial Regulations.

Background

At the 8th Eastern IFCA meeting held on 30th January 2013 a paper was presented to the full Authority which recommended that two cabin RIBs were procured to fulfil the enforcement function previously undertaken by *FPV Protector III*. The concept at the time was forward thinking as no other IFCA had operated such vessels for enforcement purposes. *FPV John Allen*, a Redbay Stormforce 11m cabin RIB, was duly purchased from Redbay Boats during the spring of 2013. It was accepted at the time after vessel evaluation that it may require modification or replacement. In recent years more IFCA's nationally have recognised the strengths and versatility of smaller cabin RIBs for inshore enforcement purposes, with many now being operated as patrol vessels. She was estimated to have an operational lifespan of 10 years.

Lessons were learnt throughout the summer of 2013 and some minor modifications were made to the vessel with the addition of extra handrails to facilitate boarding. Subsequent years saw further modifications made to the aft deck which was extended to create an open work platform which could accommodate a small tender

along with an external helm position, in addition a small, fixed A frame was added to assist with research operations.

Some shortcomings were identified, primarily in the ability to board smaller vessels or vessels with particular fishing gear deployed. Factors which contribute to this were the size of vessel, visibility from the helm (particularly on the port quarter due to the toilet compartment), the raised deck and protrusion of the cabin towards the outboard extremities of the vessel and the reduced manoeuvrability provided by stern drives when compared with water jets. It was however agreed that *FPV John Allen* should be retained after her initial trial period.

The lessons learnt from *FPV John Allen* informed the specification and subsequent procurement of the second vessel, *FPV Sebastian Terelinck*, to include an external helm position, water jet propulsion, an inflatable tube around the whole vessel (including the bow), a cabin set further inboard to create a walk round deck below the level of the tubes and a pot hauler to allow the enforcement team to carry out inspection of static gear. *FPV Sebastian Terelinck* was formally launched in September 2014.

Report

FPV John Allen has provided good service to the Authority for nearly nine years, originally purchased as a concept vessel with a potential for limited service with Eastern IFCA, however, it is believed it is now time to replace her.

The build times for new vessels is longer than would have typically been the case under normal circumstances, with the impacts of COVID having resulted in a backlog and waiting list for many vessel builders. Given that the vessel is nearing the end of her envisioned term of service and the shortcomings identified, it is proposed that starting the process of sale and replacement at this slightly earlier stage will be beneficial. This also reflects the emergence of potting fisheries as a key enforcement priority since *FPV John Allen* was built and the operational benefits in the purchase of a vessel with capabilities to match this priority.

In the event that the recommendations are approved it is envisaged that a full specification for a replacement enforcement vessel will be developed by officers with initial thinking being that the vessel should comprise of a multi hull design with outboard engines.

It is possible that a direct purchase may be an option of a suitable second-hand vessel given there are a number of proven designs already on the market or a cancelled order or lightly used vessel maybe offered for sale at a reduced price. If this is found to be the case the relevant financial and tendering rules will be adhered to, and the Vessel Procurement Panel will ensure that due diligence is exercised.

An initial valuation by AMC Ltd who were recommended by our vessel surveyor Paul Johnson, have given an indicative figure of £144,000 for the sale of *FPV John Allen*. Given that the current COVID pandemic has created a buoyant market I would anticipate a sale close to the figure suggested could potentially be achieved. Subject to further investigation it would be hoped to procure a suitable vessel in the region of £160,000 - £200,000. As members will already be aware the Authority have already

committed to a replacement for our large research vessel *RV Three Counties* and savings were achieved through the procurement of her replacement which leaves sufficient capital funding in the vessel replacement budget should it be required. Further figures will be brought back to this committee when officers have had the opportunity to research and identify a suitable replacement vessel.

Enforcement Requirements

Vessel enforcement requirements have not changed significantly since described in the papers brought before the Authority in 2013 as part of the vessel asset review however it is recognised that our current vessel assets do not give us a sufficient capability for pot-hauling and research in some of the more restricted areas of the district such as Cromer MCZ. Static gear inspections across the district are a major enforcement priority due to the rapid growth in the Whelk Fishery, it is also envisaged that further management will be required in terms of Cromer MCZ and the Crab and Lobster fisheries in the coming years. *FPV Sebastian Terrelinck* is limited in her pot hauling capability due to the weight she can carry on her deck should pots be seized as part of an inspection. The replacement for *RV Three Counties* will have pot hauling capabilities but her size will limit activity in restricted waters and her primary focus is research. With this in mind it is suggested that a dedicated pot hauling vessel, which can be rapidly deployed in keeping with the rationale for using cabin-RIBs, would significantly increase the Authorities enforcement capabilities.

As before in an ever-evolving environment any new assets should meet the following characteristics:

Logistical

1. Affordable - capable of being procured (capital) and operated (revenue) within existing and projected budgets
2. Flexible - capable of operating in a variety of roles with the minimum of restrictions e.g. crew numbers, operating depth (tides), locations etc.
3. Sustainable - minimise the risk of redundancy in the future as a consequence of budget and/or resource reductions

Operational

Capable of operating in a range of sea conditions with the ability to deliver the following throughout the entire district:

1. A visible presence in estuaries, rivers and at sea to monitor and deter
2. Sufficient speed to minimise transit times to meet enforcement requirements
3. A boarding capability for vessels ranging from <5m to >15m in length employing a variety of fishing techniques (e.g. dredging, beam trawl, potting etc.)
4. The ability to land officers on sandbanks, mudflats and beaches
5. The ability to carry appropriate ICT and electronic equipment to facilitate operations

Requirements include a stable platform from which to carry out enforcement activity, but most importantly sufficient space and carrying capacity to seize multiple shanks of pots should infringements be identified within the fishery.

Research Requirements

The Authority will continue to operate a dedicated research vessel, so research capability is not considered to be a primary driver when considering the replacement enforcement vessel. However, it is envisaged that some research capability will be catered for when considering the final specification of enforcement vessel(s). This may include such things as:

- Roxanne surveys
- Side-scan sonar
- Remote Operated Vehicle
- Pot hauler
- Small beam
- Small dredge

It is likely that any of the options under consideration would cater for this type of research functionality, which would provide an effective addition to the Authority's research capability.

Human Resources

It is suggested from recent experience that the minimum crew level for pot hauling should be three officers, however four officers would be the standard we would try to achieve to create an environment which is safe considering pot hauling is regarded as a higher risk activity. The crew complement would be similar to that of FPV John Allen so should place not create pressure on crewing requirements.

Financial Implications

No financial risks are identified in the early sale of *FPV John Allen*. As vessels reach the end of their envisioned service, maintenance costs increase. In addition, refitting or further modification to enhance further to meet the operational needs (particularly with regards to enforcement of potting activity) will be more likely to incur a cost to the Authority. Andrew Bakewell (Head of Finance and HR) has estimated that the maintenance costs of John Allen over the past 3 years is as follows:

2018/19	£35k
2019/20	£12.4k
2020/21	£13.5k

It is envisaged that a newer vessel would not incur such costs as replacement parts would be easier to source due to the age of the vessel.

Legal Implications

None identified

Appendices

N/A

Background documents

Minutes of the 8th EIFCA meeting of 30th January 2013
Minutes of the 11th EIFCA meeting of 30th October 2013