



**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 May 2022
at
1030 hours**

Vision

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



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

Date: 3rd May 2022

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 1st February 2022

- 5 Matters Arising - *Clerk*

Quarter 4 Payments and Receipts – *Hd Finance & HR*

Quarter 4 Management Accounts – *Hd Finance & HR*

Project Officer post - *CEO*

To resolve that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for item 10 on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 1 of Schedule 12A of the Act.

Information Items

- 6 HR Update – *Hd Finance & HR*

- 7 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: 14th April 2022

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Finance & HR Sub-Committee

A meeting of the Finance & HR Sub-Committee took place at the Town Hall in King's Lynn on 1st February 2022 at 1000 hours.

Members Present:

Cllr T FitzPatrick	Chair	Norfolk County Council
Cllr E Back		Suffolk County Council
Dr S Bolt		MMO Appointee
Cllr M Chenery of Horsburgh		Norfolk County Council
Ms I Smith		MMO Appointee
Cllr P Skinner		Lincs County Council
Mr S Williamson		MMO Appointee

Eastern IFCA Officers Present:

A Bakewell	Head Finance & HR
J Butler	Head of Operations
J Gregory	CEO

FHR21/52 Welcome

The Chairman welcomed members to the meeting.

FHR21/53 Apologies for absence

Apologies for absence were received from Cllrs Adams (NCC), Coupland (LCC) and Vigo Di Gallidoro (SCC).

FHR21/54 Declarations of Members Interest.

Dr Bolt expressed an interest in item 11, which the Chair extended to cover all MMO Appointees..

FHR21/55 Minutes of the Finance and Personnel Sub-committee meeting held on 2nd November 2021

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

FHR21/56 Matters Arising

Members were advised Matters Arising were covered in the papers, with the exception of the IFCO Working Model Review which was ongoing and would be addressed at a future meeting.

FHR21/57 Quarter 3 Payments and Receipts

The Quarterly Report was provided as a standard reporting item. Exceptions noted in the report were the purchase of a 2nd ROV for research purposes to ensure smooth survey work around the Cromer Shoal MCZ, and the purchase of three new vehicles to replace the 7yr old vehicles in the fleet, in line with usual policy.

Members Agreed to Note the paper

FHR21/58 Quarter 3 Management Accounts

The report contained figures which showed the actual expenditure compared to anticipated expenditure.

Notable differences included payments for Operation Blake which would be offset by the Stage 6 grant payment, an overspend on Three Counties as there had been repairs carried out to the engines and saving in salaries due to the current staff vacancies.

Cllr Back queried why there appeared to be savings in Staff Remuneration and National Insurance but there was an overspend on Pension payments. The Head of Finance advised that the additional expenditure was as a result of one member of staff who had previously not been in the pension scheme who had decided to join it and, more significantly, the result of the triannual review meant there was an increase in contributions by 2% to cover employer contributions on legacy debt.

Members Agreed to note the Management Accounts

FHR21/59 Internal Audit Report

The Internal Audit Report had been received. As a result there was a need for a small update to the financial regulations to clarify the handling and banking of small amounts of cash received.

Members Agreed to note the report

FHR21/60 External Audit Report

The External Audit effectively checked the work carried out by the Internal Auditors and the transfer of balance figures from one year to the

next by the Head of Finance. The report showed no notable matters arising and gave the Authority a 'clean bill of health' in accounting terms.

Members Agreed to note the report

FHR21/61 Appointment of Auditors

On an annual basis the sub-committee made a decision to appoint Auditors for the Authority accounts. Whilst there remained no legal requirement for either Audit to be carried out it had in the past been deemed to be the best option to provide reassurance that accounting practices were being adhered to.

Dr Bolt questioned why both audits were carried out when neither were required. The Chair advised that the External Auditor were completely external and provide added assurance. The Head of Finance believed the Internal Audit was meaningful as it tested accounting procedures. Members were also advised the cost implication was budgeted for in the accounts. It was noted that should funding become limited the decision to carry out the Audits could be revisited.

Members Resolved to Approve the engagement of Norfolk Audit Services to carry out the internal audit and the appointment of PKF Littlejohn to audit the Annual Return.

Proposed: Cllr Skinner

Seconded: Dr Bolt

All Agreed

FHR21/62 Expenses to MMO Appointees

As part of the Financial Regulations there was an annual requirement to have the payment of Expenses to MMO Appointees approved by the Sub-Committee.

Based on payments made previously payment for such expenses was included in the previously agreed budget for the forthcoming financial year.

Members Resolved to Approve the payment of expenses to MMO Appointees for the financial year 2022-23

Proposed: Cllr Skinner

Seconded: Cllr Chenery of Horsburgh

All those who could vote Agreed.

FHR21/63 *Members Resolved that under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for items 13 & 14 on the grounds that they involved the likely disclosure of exempt information as defined in Paragraph 1 of Schedule 12A of the Act.*

Proposed: Chairman

Seconded: Cllr Skinner
All Agreed

FHR21/64 New Vessel Update

Members were reminded that in 2017 approval had been given for the purchase of a new vessel to replace Three Counties.

Subsequently a contract had been awarded. At the time of tendering it was known that new rules were proposed for marine engines which could affect the overall price. As a result of the new legislation it had proved inevitable that the engine price would be increased. In addition, during discussions with the yard some aspects of the build had been amended which meant some saving had been possible. All amendments and the choice of engines had been discussed by the CEO, Chair and Vice Chair who were in agreement with the final outcome which meant a price increase of £68,780.

There were still some outstanding matters which would be relatively modest, such as the installation of a fridge freezer, a missing piece of electronic equipment as well as a more notable issue which was the ability to carry a RIB on the cabin roof. It had been hoped the existing RIB would be suitable, but the weight had proved prohibitive, it would be necessary to use a lighter, smaller vessel. Quotes for a suitable coded vessel were in the region of £40-£43k, which fell into the budget parameters of the levy which included funding for new vessels/equipment.

Dr Bolt queried the VAT situation and whether the Authority would be able to claim back the VAT. The Head of Finance advised VAT on vessels was a little more complicated than normal VAT rules. In the event of the vessel being sold the Authority would be responsible for paying the VAT on the sale price.

Ms Smith queried the change of winch design and whether it would affect the survey work capability. The CEO advised that whilst the redesign meant there would be one winch instead of two, the A-frame had been extended so it would be able to do the same job as two, being a more efficient design than the single winch.

Members Resolved to:

- **Note** the content of the report.
- **Agree** to the procurement of a suitable RIB as a tender to the new vessel.
- **Agree** to delegate decision making with regard to identifying and placing an order for a new RIB to the CEO.
- **Agree** to the continued delegation of decision making for increases in budget to the CEO. Where single or cumulative increases exceed 5% of the new contract price such decisions would be in consultation with the Chair and Vice-Chair.

Proposed: Dr Bolt
Seconded: Cllr Chenery of Horsbrugh
All Agreed

FHR21/65 HR Update

Members were advised that the external support for the current financial systems used for salaries and invoice payments would no longer be available after 31st March. As the Head of Finance & HR had expressed his intention to retire in August 2022 the process had begun to find external payroll support and alternative accounting software for invoices. Councillor Skinner suggested it may be a process that one of the County Councils could undertake.

In view of the relatively short timeframe to get a new process in place and the need to address how finance and HR functions would be addressed following the retirement of the Head of Finance & HR a recommendation was put forward for consideration, that any decisions should be made by the CEO, Chair and Vice Chair.

Proposed: Dr Bolt
Seconded; Cllr Chenery of Horsbrugh

Members Resolved that decisions on a payroll provider and invoicing software and decisions relating to the future provision of finance and HR functions should be delegated to the CEO, Chair and vice-Chair.

Proposed: Cllr Skinner
Seconded: Cllr Chenery of Horsbrugh
All Agreed

FHR21/66 Any Other Business

There were no items raised.

There being no other matters to discuss the meeting closed at 1052 hours, the Chair thanked members for attending.

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Action Item 6

Finance and HR sub-committee meeting

3rd May 2022

Report by: Andrew Bakewell – Head of Finance & HR

Payments made and monies received during the period 1st January 2022 to 31st March 2022 (Quarter 4)

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 January to 31st March 2022 are shown in the following tables.

The payments have been made in accordance with Eastern IFCA'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 January to 31st March 2022

Payments made during the period 1st January to 31st March 2022

	Month 10	Month 11	Month 12	TOTAL
	£	£	£	£
Transfers to EIFCA Salaries Acct.		180,000.00		180,000.00
Rent, Rates & Service Charges	3,992.53	385.29	5,550.39	9,928.21
General Establishment	8,574.75	8,722.49	4,063.38	21,360.62
Legal Fees	66.00		2,582.60	2,648.60
Staff Travelling & Subsistence	74.98	210.14	264.57	549.69
Members' Allowances			57.00	57.00
Training	2,585.00	1,575.00	915.00	5,075.00
Moorings/Harbour Dues	1,469.15		2,538.02	4,007.17
Three Counties Operating Costs	3,066.21	3,030.72	9,016.31	15,113.24
FPV JA & ST –Operating Costs	5,004.06	16,502.57	388.61	21,895.24
Vehicle Operating Costs	952.49	1,954.29	1,981.62	4,888.40
Communication and Development	125.00	48.00		173.00
Marine Science	499.95	80.00	3,624.15	4,204.10
Enforcement	156.60	861.40	7,163.84	8,181.84
Wash & Nth Norf. EMS Project				
WFO			27.12	27.12
Asset Purchases		543,763.52		543,763.52
VAT recoverable (Quarter)	4,373.66	110,839.79	7,179.98	122,393.43
Grant funded project				
TOTAL PAYMENTS MADE	30,940.38	840,973.21	45,352.59	917,266.18

Monies received during the period January to March 2022

	Month 10	Month 11	Month 12	TOTAL
	£	£	£	£
Levies				
Defra funding				
Asset replacement				
WFO – Licences		330.00		330.00
EMFF Grants		40,704.01		40,704.01
Whelk licences	250.00	1,250.00	1,416.00	2,916.00
Wash & North Norfolk Coast EMS				
VAT				
Fixed Penalty Fine				
EHO sampling		5,632.00		7,936.00
Lay rents				
Court costs				
Interest				
Asset Sales		4,080.87	141,940.00	146,020.87
Miscellaneous	403.00	1,542.21	12.50	1,957.71
TOTAL MONIES RECEIVED	653.00	53,539.09	143,368.50	196,560.59

Expenses –

Month 11 FPV costs includes major service on Sebastian Terelinck.

Asset Purchases month 11 – stage payment for TC replacement

Month 12 – TC Fuel delivery £5k, Marine Science – Shrimp Database £1.5k Sonde service £1k. Marine Protection – Helmets £2.6k Skyguard contract (annual) £1.9k

Income –

Month 11 – EMFF Grant (Claim 5 of 6)

Asset sales proceeds from disposal of Skoda Yeti (mth 11) and FPV John Allen in mth 12.

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Action Item 7

Finance and HR sub-committee meeting

3rd May 2022

Report by: Andrew Bakewell – Head of Finance and HR

Report on the Management Accounts for the 4th Quarter of the 2021/22 financial year

Purpose of report

To provide 4th Quarter Management Accounts for members to note.

Recommendations:

Members are asked to:

- **Note** the Management Accounts

Explanatory Notes

	Variance	
Salaries and on costs	59,674	Vacancies
General expenditure	345	Overspend on Legal (mainly WFO related) Savings on Accommodation and Travel
Media	81	
Enforcement	3,992	Software licences
Marine Science	(3,298)	Grant refund £600 Survey costs
Vessels	(8,716)	Insurance premiums ST Refit
Vehicles	7,733	Insurance prepaid last year
Income (ex Op Blake)	141,566	Sale of JA and 2 Yetis
Budget contingency	25,000	
Operation Blake Net	17,199	
Total	243,576	

Figures are correct at the time of preparation Year end Accounts will include accruals and prepayments for invoices received after cut-off..

Management Accounts Financial Year 2021/2022

	ACTUAL Year to Date Qtr 4 £	BUDGET YTD Qtr 4 £	VARIANCE	MEMO Budget For Year £
<u>SALARIES & WAGES</u>				
Staff Remuneration	788,685	849,500	60,815	849,500
Pension	180,861	175,000	(5,861)	175,000
National Insurance	80,780	85,500	4,720	85,500
TOTAL	1,050,326	1,110,000	59,674	1,110,000
<u>GENERAL EXPEND</u>				
Accommodation	58,862	63,385	4,523	63,385
Insurance	8,908	8,600	(308)	8,600
General Establishment	108,191	96,060	(12,131)	96,060
Officers' Expenses	7,244	15,000	7,756	15,000
Members' Travel	183	2,000	1,817	2,000
Training	21,312	20,000	(1,312)	20,000
TOTAL	204,700	205,045	345	205,045
Media & Comms	919	1,000	81	1,000
Enforcement	21,008	25,000	3,992	25,000
Marine Science	15,298	12,000	(3,298)	12,000
Operation Blake	64,109		(64,109)	
<u>VESSELS</u>				
Moorings/Harbour Dues	7,027	6,000	(1,027)	6,000
<u>Vessel Operating Costs</u>				
Three Counties	48,606	48,500	(106)	48,500
FPVs JA & ST	41,436	39,000	(2,436)	39,000
Vessels insurance	27,287	22,140	(5,147)	22,140
TOTAL	124,356	115,640	(8,716)	115,640
<u>VEHICLES</u>				
Operating Costs	20,067	27,800	7,733	27,800
TOTAL	20,067	27,800	7,733	27,800
Contingency		25,000	25,000	
TOTAL EXPENDITURE	1,500,783	1,521,485	20,702	1,521,485
<u>INCOME</u>				
Bank Interest	272	10,050	(9,778)	10,050
Levies	1,473,248	1,473,248	-	1,473,248
WFO Licence	17,163	16,000	1,163	16,000
Whelk licences	4,426	6,000	(1,574)	6,000
Asset replacement	159,135	159,135	-	159,135
Other	8,820	2,000	6,820	2,000
EMFF Grants	81,308		81,308	
Asset Sales	149,981		149,981	
FAPs	1,497		1,497	
EHO sampling	12,544	18,000	(5,456)	18,000
Lay rents	1,913	3,000	(1,087)	3,000
TOTAL INCOME	1,910,307	1,687,433	222,874	1,687,433
New Vessel	652,666		(652,666)	
Asset Purchases	76,462		(76,462)	
Reserve movement	(319,604)	165,948	(485,552)	165,948

Budgeted Surplus	6,813
Revenue savings	84,811
Income shortfall	(8,415)
Adjusted surplus	83,209
<u>Exceptional Items</u>	
Asset replacement	159,135
Asset Sales	149,981
Grant income	17,199
Asset purchases	(729,128)
Reserve movement	319,604

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Action Item 8

Finance & HR Sub-Committee Meeting

Project Officer Post

3rd May 2022

Report by: Julian Gregory, CEO

Purpose of report

To seek approval to make the temporary post of Project Officer a permanent role.

Recommendations

It is recommended that members:

- **Agree** to transition the temporary post of Project Officer to a permanent established post.

Background

At the meeting of the Finance & HR sub-committee held on 5th November 2019 members noted that an additional Project Officer had been appointed on a fixed-term contract for two years.

The appointment of a Grade 5 Project Officer was intended to contribute to almost all workstreams identified within the Business Plan. Anticipated key roles will included:

- Engagement planning and delivery (developing engagement plans and materials, administering consultations, reporting on responses) in relation to all management measures;
- Production of Impact Assessments including evidence gathering and analysis;
- Production of Decision Memos;
- Engagement with public – general information requests, advice on byelaw and other management measures etc.
- Habitat Regulation Assessments including evidence gathering;
- Stock assessments including evidence gathering.

It was noted that, throughout a financial year, new or novel workstreams are often picked up by the Projects Team. Within recent years this had included, Eastern IFCA compliance with GDPR, implementing body worn videos within the enforcement team and administering operation Blake (in response to PSP being found in washed up marine organisms).

The wider context was that despite continuing efforts to reduce the backlog of projects several had rolled over for a number of annual planning years. Whereas some slippage was anticipated when preparing the 5-year Business Plan it had become clear that business as usual, new priorities and resource constraints were conspiring to condemn several important projects to significant delays in their completion.

With the vast majority (95%) of the Eastern IFCA district having Marine Protected Area (MPA) status, and new sites being designated in recent years, the MPA workload remained significant. Target dates for identifying and implementing management in the more complex cases had not been met, and assessments for the new sites were not yet completed. In addition monitoring and control plans for fisheries in MPAs had not been developed.

Eastern IFCA's approach to developing and implementing management measures had also developed over the previous five years and it was more extensive and resource intensive than had previously been the case. Through Eastern IFCA's engagement plan, it was commonplace to allocate a significant resource to consultation with industry including production of materials and organising, attending and facilitating meetings and workshops.

This approach reflected the Authority's commitment to making properly considered and evidence-based fisheries and conservation management decisions and is warranted by the level of scrutiny and potential challenge from industry, non-governmental organisation and lobby groups.

Report

Since the introduction of the temporary role the postholders made a significant contribution in progressing important workstream such as the replacement of the Wash Fishery Order 1992 with a byelaw.

During this time workloads have not decreased and the case for introducing the post in the first place remains. In fact, it is likely that workloads will increase with such issues as the introduction of the shrimp management regime in the Wash and the requirements of the Fisheries Act 2020 in terms of developing fisheries management plans. With this in mind it is recommended that the role is established as a permanent post.

Financial Implications

The post is as grade 5 with a salary range of £26,446 to £29,174

A bid via the Association of IFCAs for additional funding to help address increasing demands upon the IFCAs is still outstanding and as such there is the possibility of some additional financial support. Notwithstanding this the budget for the current financial year and projections for the following four years have absorbed the costs of the post and as such it is considered to be affordable.

Background Documents

Papers and minutes of the meeting of the Finance & HR sub-committee held on 5th November 2019