



**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
1st November 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: 1st November 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 2 August 2021 - pg3
- 5 Matters Arising – *Clerk*
- 6 Quarter 2 Payments and Receipts – *Hd Finance & HR* - pg8
- 7 Quarter 2 Management Accounts – *Hd Finance & HR* - pg11
- 8 Provisional budget 2023-24 and Budget Forecast to 2028 – *Hd Finance & HR* - pg13
- 9 Defra funding update – *CEO* - pg21
- 10 *To resolve that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for items 11 & 12 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 1 of Schedule 12A of the Act.*

Information Items

- 11 HR Update – *Hd Finance & HR* - pg27
- 12 New vessel build verbal update – *CEO*
- 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
Chief Executive Officer
Date: 17 October 2022

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 & HR Sub-Committee

A meeting of the Finance & HR Sub-Committee took place at the Town Hall in King's Lynn on 2nd August 2022 at 1030 hours.

Members Present:

Cllr T FitzPatrick	Chair	Norfolk County Council
Cllr M Vigo Di Gallidoro	Vice Chair	Suffolk County Council
Cllr T Adams		Norfolk County Council
Cllr E Back		Suffolk County Council
Cllr M Chenery of Horsbrugh		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 Gregory	CEO

FHR22/12 Welcome

The Chairman welcomed members to the meeting.

FHR22/13 Apologies for absence

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

FHR22/14 Declarations of Members Interest.

No Declarations of Interest were received.

FHR22/15 Minutes of the Finance and Personnel Sub-committee meeting held on 3rd May 2022

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

Proposed: Cllr Skinner

Seconded: Cllr Vigo Di Gallidoro

All Agreed

FHR22/16 Matters Arising

Members were advised the only matter for discussion was an update on the new vessel which was included as an item on the Agenda.

FHR22/17 Quarter 1 Payments and Receipts

The Head of Finance & HR advised members that the quarters expenditure included insurance renewals for both vessels and vehicles which was in line with expectations.

There were no questions raised.

Members Agreed to Note the paper

FHR22/18 Quarter 1 Management Accounts

The quarter showed savings overall which was due to unfilled vacancies, and the anticipated pay increase not having been finalised. It was expected the final vacancy would be filled in a matter of weeks.

General Expenditure also included a contingency for fuel increases and general price increases.

Cllr Chenery of Horsbrugh enquired what had caused the £251 overspend in the Marine Science Budget, the Head of Finance & HR advised it could have been six very minor purchases, as it was not a significant amount it had not been itemised.

Members were advised expenditure in Marine Science was due to purchase of a second ROV and tracking devices for management of the Cromer Shoal MCZ

Members Agreed to note the Management Accounts

FHR22/19 Annual Statement of Accounts (Draft) for year ending March 2022

It was noted several schedules made up the Accounts. Of note was the expenditure on assets which was for the purchase of three new vehicles and the 30% stage payment towards the new vessel.

Expenditure had been partially offset by the sale of John Allen which had been sold for £142k.

Reserves showed there was still £1.6m in the Vessel Replacement Fund, and the Vehicle reserve had been topped back up to £60k as replacing vehicles was an ongoing necessity.

Cllr Chenery of Horsbrugh questioned whether it was a conscious decision not to buy British vehicles, members were advised vehicles were purchased through a Central Government Purchasing Scheme which gave significant

discounts, the choice of vehicle was dependent on the purpose of the vehicle, the spec, the price and the reputation of the vehicle.

The Operational Fund Reserve was explained to members, this was a sum of money which was to be paid for the use of Sutton Bridge moorings once the final agreement was in place between LCC and FDC. This payment was in lieu of paying annual rent for the moorings. On this matter Cllr Skinner asked the Head of Finance & HR to provide him with the details and he would chase up the final contract so the money could be paid.

Cllr Back questioned why the Fixed Asset Register did not show depreciation and nor were Fixed Assets included on the balance sheet. The Head of Finance & HR advised that Financial Regulations of Joint Committees meant Assets were not depreciated and cost of replacement was built into the Reserves. Joint Committee's were only obliged to report income received and expenditure made. Asset value is probably considered irrelevant, but it shows the value of purchases made.

Members Resolved to:

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

Proposed: Chair

Seconded: Cllr Skinner

All Agreed

FHR22/20 Resolution

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

Proposed: Chair

Seconded: Cllr Skinner

All Agreed

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

FHR22/21 New Vessel Budget Update

As a direct result of Cllr Coupland asking for information regarding the progress and budget changes for the new vessel the CEO had prepared a paper highlighting the events since the 2017 decision to purchase a new vessel.

When submitting his apologies for the meeting Cllr Coupland advised *“the agenda item concerning the costs of the new boat looks fine by me, it clarifies all the variations as it’s progressed”*.

Following the contract being awarded there had been significant challenges to meet engine requirements which had been one of the factors which affected a relatively modest price increase. Members were provided a summary of the process to date with details of changes made to the design and the costs involved. The current estimated price did not take account of 4 outstanding issues, any/all of which may either increase or decrease the overall price depending on the route taken but it was thought that the variance would not be significant.

Among the outstanding items was the inclusion of a Vessel Performance Monitoring System, known as iRAMS, which would provide an engine and asset tracking management system with live reporting to enable monitoring of information, such as location, course and speed as well as essential systems data including CO2 emissions, fuel consumption, engine temperatures, coolant and exhaust temperatures.

Having considered the content of the paper, queried the suggested wiring system, the anticipated longevity of the vessel and its parts, the location of the pot hauler, the need to carry an additional freshwater store onboard for trips involving several nights at sea, as well having the decision to place the RIB on the roof explained, members were satisfied with the progress to date.

Members Agreed to:

- **note the content of the report**
- **dispense with the requirement to seek alternative quotes and to procure the iRAMS system.**

Proposed: Cllr Skinner

Seconded: Cllr Vigo Di Gallidoro

All Agreed

FHR22/12 HR Update

RECRUITMENT: Members were advised the most recent recruitment had resulted in a MSO Grade 6 and a Project Officer being appointed. Two candidates for an IFCO post had been selected for a practical assessment on 11th August and it was anticipated one would be appointed.

The CEO advised that there was a possibility there may be some additional Defra Funding made available for capital assets, or to support posts which met criteria set out by Defra, it was hoped that if the criteria for the grant were met it might be possible to employ both candidates, providing they also excelled at the practical assessment being set for them.

Cllr Skinner felt if there was any additional funding available, he would like to see some investment in the fisheries with perhaps research into the cause of the early die off in cockles and some re-seeding of closed areas.

PREVIOUS EMPLOYEE: Members were advised an Officer who had been retired on ill-health in September 2021 had suffered ongoing health issues but and made some improvement recently.

Members Agreed to note the content of the report.

FHR22/11 Any Other Business

There were no items raised.

There being no other matters to discuss the meeting closed at 1147hours, the Chair thanked members for attending.

Vision

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



Action Item 6

Finance and HR sub-committee meeting

1st November 2022

Report by: Andrew Bakewell – Head of Finance & HR

Payments made and monies received during the period 1st July to 30th September 2022 (Quarter 2)

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 July to 30th September 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 July to 30th September 2022**

Payments made during the period 1st July to 30th September 2022

	Month 4	Month 5	Month 6	TOTAL
	£	£	£	£
Transfers to EIFCA Salaries Acct.		150,000.00	150,000.00	300,000.00
Rent, Rates & Service Charges	8,249.43	118.35	7,627.81	15,995.60
General Establishment	10,355.93	2,747.72	359.15	13,462.80
Legal Fees		1,263.00	3,202.70	4,465.70
Staff Travelling & Subsistence	2,590.17	607.14		3,197.31
Members' Allowances	195.08	86.35		281.43
Training			1,145.83	1,145.83
Moorings/Harbour Dues			616.77	616.77
Three Counties Operating Costs	177.38	3,844.81	434.38	4,456.57
ST –Operating Costs	1,751.12	2,180.77	10,669.50	14,601.40
Seaspray Operating Costs	189.30	1,727.91		1,917.21
Vehicle Operating Costs	2,720.37	2,534.17	2,020.84	7,275.38
Communication and Development				
Marine Science	1,007.55	44.91	1,679.00	2,731.46
Enforcement	2,633.23	508.77	365.82	3,507.82
WFO	17,699.00			17,699.00
Asset Purchases				
VAT recoverable (Quarter)	7,635.77	2,124.62	4,493.87	14,254.30
Grant funded project				
TOTAL PAYMENTS MADE	55,204.30	167,788.50	182,615.10	405,607.98

Monies received during the period July to September 2022

	Month 4	Month 5	Month 6	TOTAL
	£	£	£	£
Levies				
Defra funding				
Asset replacement				
WFO – Licences	20,365.33	5,024.33	1,097.32	26,486.98
EMFF Grants				
Whelk licences	250.00	250.00		500.00
Wash & North Norfolk Coast EMS				
VAT	13,084.00		17,422.37	30,506.37
Fixed Penalty Fine				
EHO sampling				
Lay rents				
Court costs/Penalties	500.00	500.00		1,000.00
Interest	4.50	1.80		6.30
Asset Sales				
Miscellaneous	267.30	20.17	130.00	417.47
TOTAL MONIES RECEIVED	34,471.13	5,796.30	18,649.69	58,917.12

Expenses –

WFO (£17,699) final instalment of Economic Assessment.

Income –

Due to timing 2 VAT repayments appeared in this Quarter.

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 7

Finance and HR sub-committee meeting

1st November 2022

Report by: Andrew Bakewell – Head of Finance and HR

Report on the Management Accounts for the 2nd Quarter of the 2022/23 financial year

Purpose of report

To provide 2nd Quarter Management Accounts for members to note.

Recommendations:

Members are asked to:

- **Note** the Management Accounts

Explanatory Notes

	Variance	
Salaries and on costs	31,200	Unfilled vacancies
General expenditure	2,235	Expenses and Training
Enforcement	3,750	Timing
Marine Science	(2,250)	Minor overspends
Vessels	11,670	TC 11.7k
Vehicles	2,200	Timing
Income	(14,608)	WFO Permits (9.9k) EHO (7.2k)
Contingency	(30,000)	Anticipated increases
Total		

YTD salaries and on costs have been increased to reflect anticipated pay settlement.

Management Accounts Financial Year 2022/2023

	ACTUAL Year to Date Qtr 2 £	BUDGET YTD Qtr 2 £	VARIANCE	MEMO Budget For Year £
<u>SALARIES & WAGES</u>				
Staff Remuneration	414,000	445,000	31,000	890,000
Pension	98,500	102,500	4,000	205,000
National Insurance	47,800	44,000	(3,800)	88,000
TOTAL	560,300	591,500	31,200	1,183,000
<u>GENERAL EXPEND</u>				
Accommodation	32,762	33,450	688	67,450
Insurance	9,333	8,750	(583)	8,750
General Establishment	67,635	70,000	2,365	92,000
Officers' Expenses	4,535	6,250	1,715	12,750
Members' Travel	400	750	350	1,500
Training	16,300	14,000	(2,300)	25,000
TOTAL	130,965	133,200	2,235	207,450
Media & Comms		500	500	1,000
Enforcement	10,250	14,000	3,750	22,000
Marine Science	10,000	7,750	(2,250)	15,500
Operation Blake				
<u>VESSELS</u>				
Moorings/Harbour Dues	4,630	5,000	370	6,500
<u>Vessel Operating Costs</u>				
Three Counties	19,350	31,000	11,650	62,000
FPVs ST & S/Spray	18,200	18,000	(200)	35,500
Vessels insurance	23,000	22,850	(150)	22,850
TOTAL	65,180	76,850	11,670	126,850
<u>VEHICLES</u>				
Operating Costs	20,300	22,500	2,200	31,250
TOTAL	20,300	22,500	2,200	31,250
Contingency	30,000		(30,000)	
TOTAL EXPENDITURE	826,995	846,300	19,305	1,587,050
<u>INCOME</u>				
Bank Interest	9	15	(6)	15,000
Levies	1,100,685	1,100,685	-	1,100,685
WFO Licence	30,025	40,000	(9,975)	45,000
Whelk licences	1,550	2,500	(950)	5,000
Asset replacement	163,910	163,910	-	163,910
DEFRA	394,145	394,145	-	394,145
EMFF Grants	1,045		1,045	
Asset Sales	400		400	
FAPs	1,000		1,000	
EHO sampling	768	8,000	(7,232)	20,000
Miscellaneous	417		417	
Lay rents	2,193	1,500	693	3,000
TOTAL INCOME	1,696,147	1,710,755	(14,608)	1,746,740
New Vessel				
Asset Purchases				

Vision

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



Action Item 8

Finance & HR Sub-Committee

1st November 2022

Report by: Andrew Bakewell – Head of Finance and HR

Provisional Budget for the period 1st April 2023 to 31st March 2024 and Forecast to 2027/28

Purpose of report

To present the Draft Budget for the 2023/24 financial year along with the Forecast for the following 4 years to 2028. The estimates detailed below are for agreement and recommendation to the full Authority at their next Statutory meeting.

Recommendations

Members are asked to:

- **Approve and recommend** the Draft Budget 2023/24 to the full Authority at their next meeting on 9th December 2022.
- **Approve and recommend** the Levies for 2023/24 to the full Authority at their next meeting on 9th December 2022.
- **Approve** the Forecast for the following 4 years to 2027/28 for presentation to the full Authority at their next meeting on 9th December 2022.

Background

The Draft Estimates of Expenditure for the financial year 2023/2024 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 (2022/2023) and projected outcome for this year. The format of Table 1 shows the Total Estimates of Expenditure less Income including Defra Base Funding costs. Defra funding is then deducted from the Total Expenditure less Income to establish the residual cost which after deduction of the contribution from County Councils shows the amount to be added or taken from reserves.

The projected expenditure less income for 2022/2023

The calculation of the Provisional Budget for 2023/2024 (Table 1).

Assumptions

An amount described as Defra Base Funding has been included for following years. Additional funding (for specific work streams) has been confirmed for 2022/23 and is indicative (i.e. subject to confirmation) for 2023/24 and 2024/25 and therefore a further £450,000 (£50k per workstream per year totalling £150,000 for 2022/23, 2023,24 and 2024/25) is included.

Notes on Expenditure

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

Variations from 2022/2023 Budget to the 2022/2023 Projection and 2023/2024 Draft Budget are summarised under the main budget headings in the following table:

	2022/2023 Budget £	2022/2023 Projection £	2023/2024 Draft Budget £
Salaries & Wages	1,183,000	1,175,000	1,217,500
General Expenditure	207,450	210,000	230,000
Departmental Op Costs	38,500	38,750	40,250
Vessels	126,850	129,250	118,000
Vehicles	31,250	41,250	41,500
Contingency		40,000	40,000
TOTAL	1,587,050	1,634,250	1,687,250

Salaries & Wages

2022/2023 Projection £9,000	2023/2024 Draft Budget (£34,500)
a) Vacancy management savings offset by higher than budgeted pay increase	Vacancies all filled, annual increments and 3% est. inflation. Increased NI

General Expenditure

2022/2023 Projection- £(2,550)	2023/2024 Draft Budget £(22,550)
a) Utility costs	Outsourced payroll and accountancy

Departmental Operational Costs

2022/2023 Projection- £(250)	2023/2024 Draft Budget £(1,750)
Cromer Shoal survey	Inflation

Vessels

The 2020/2021 budget provided for the operating costs of Three Counties, John Allen, Sebastian Terelinck and Seaspray all year.

<u>2022/2023 Projection- £ (2,400)</u>	<u>2023/2024 Draft Budget £8,850</u>
Fuel costs	Fuel increase offset by maintenance savings new vessel

Vehicles

<u>2022/2023 Projection- £(10,000)</u>	<u>2023/2024 Draft Budget £(10,250)</u>
Fuel cost and increased usage	Extra usage and fuel price stabilised

Inflation Contingency

An inflation contingency of £40,000 included in 2022/23 Forecast and 2023/24 Draft Budget with a further £20,000 in 2024/25 Estimate.

Income

<u>2022/2023 Projection £(10,000)</u>	<u>2023/2024 Draft Budget £15,000</u>
Interest on deposits	Higher interest rates and increased licence fees

Reserves

The amounts held in EIFCA's ear-marked reserves estimated at 30.09.2022 are set out below:

	£
ICT Fund	10,000
Legal and Enforcement Fund	75,000
Office Improvement Fund	10,000
Research Fund	62,251
WFO	88,512
DEFRA Grant	18,292
Vehicle Renewals Fund	60,000
IVMS (10%)	30,000
FAP	22,500
Moorings	150,000
Vessel Replacement Fund	<u>1,628,213</u>
	<u>2,154,768</u>

Levies

As previously agreed with the County Councils' finance representatives, levies have been increased by 2% for 2023/24. Although reserves are healthy the order for a replacement of RV Three Counties is valued at c.£1.6million. The reduced reserves will be further augmented by annual asset replacement contributions and the additional Defra funding (total £450k if paid each year). The Levies on the constituent County Councils including the 2% increase and asset replacement funding for 2023/2024 follow:

	Norfolk County Council	Suffolk County Council	Lincolnshire County Council
	£	£	£
County Council Levies	432,238	324,459	366,002
Asset replacement	64,998	48,792	55,037
Defra Funding (base)	151,999	114,420	127,726
Defra Workstream Funding*	150,000		
Total Levy	799,235	487,677	548,765
	38.5%	28.9%	32.6%
<u>For Information</u>			
<u>2022/2023</u> Total CC contributions	638,867	479,888	539,985

*Funding for MPA Management, Licensing/Consents/Permitting and Fisheries Management Plans current expectation is £50,000 per workstream for 3 years. To be paid via NCC.

Table 1**Estimates of Expenditure 2022/2023**

	2022/2023 Budget	2022/2023 Act/Proj	2023/2024 Draft Budget
	£	£	£
Salaries & Wages	1,183,000	1,175,000	1,217,500
General Expenditure	207,450	210,000	230,000
<u>Departmental Operational Costs</u>			
Marine Science	15,500	18,000	18,000
Marine Protection	22,000	20,000	21,500
Media	1,000	750	750
<u>Vessels</u>			
Moorings & Harbour Dues	6,500	6,500	6,500
Research Vessel – T C	62,000	63,750	55,000
Enforcement Vessels - Ribs	35,500	36,000	32,500
Vessel insurance	22,850	23,000	24,000
Vehicles	31,250	41,250	41,500
Contingency		40,000	40,000
TOTAL EXPENDITURE £	1,587,050	1,634,250	1,687,250
INCOME	70,000	60,000	85,000
EXPENDITURE LESS INCOME £	1,517,050	1,574,250	1,602,250
<i>LESS Defra Funding</i>	394,145	544,145	544,145
Net Expenditure	1,122,905	1,030,105	1,058,105
Levies	1,100,685	1,100,685	1,122,700
<u>Surplus/(Shortfall) £</u>	<u>(22,220)</u>	<u>70,580</u>	<u>64,595</u>

Table 2**Estimates of Expenditure 2023/2024**

Details of Expenditure – Salaries & Wages and General Expenditure

	2022/2023 Budget	2022/2023 Projection	2023/2024 Draft Budget
<u>SALARIES</u>			
Staff Remuneration	890,000	889,000	914,000
Pension	205,000	204,000	214,500
National Insurance	88,000	82,000	89,000
TOTAL	1,183,000	1,175,000	1,217,500
<u>GENERAL EXPENDITURE</u>			
<i><u>Accommodation</u></i>			
<i>(Rent, Rates, Insurances, Utilities)</i>			
Rent	36,250	36,250	37,500
Business Rates	16,300	16,300	16,750
Water Rates	750	750	800
Service Charges	3,500	3,500	3,750
Insurance – Buildings	1,150	1,150	1,250
Insurance Office & General	8,750	9,350	9,650
Electricity	4,500	6,000	6,000
Cleaning	1,000	750	1,000
Maintenance & Redecoration	4,000	4,000	7,500
TOTAL	76,200	78,050	84,200
<i><u>General Establishment</u></i>			
Advertisements & Subscriptions	18,000	18,000	19,000
Legal & Professional Fees	12,000	12,000	22,000
Telephones (Office & Mobile)	7,500	8,000	7,500
Postage & Stationery	8,500	8,500	8,500
IT Support	34,500	35,000	35,000
Uniforms & Protective Clothing	8,000	8,000	8,000
Medical Fees	1,250	2,000	1,800
Recruitment	1,000	1,000	1,000
Sundry inc. Meeting Costs	1,250	2,250	2,500
TOTAL	92,000	94,750	105,300
<i><u>Officers' Travel & Subsistence</u></i>			
General Travel – Fares, Taxis etc	5,000	4,500	5,000
Subsistence Payments	1,250	2,000	2,000
Overnight Subsistence	1,500	1,500	2,000
Hotel – Accommodation & Meals	5,000	4,000	5,000
TOTAL	12,750	12,000	14,000
<i>Members' Travel</i>	1,500	1,200	1,500
<i>Training</i>	25,000	24,000	25,000

Table 3

Estimates of Expenditure 2023/2024

Details of Expenditure – Vessels & Vehicles

	2022/23 Budget	2022/23 Projection	2023/24 Draft Budget
<u>Operations</u>			
Media	1,000	750	750
Marine Science	15,500	18,000	18,000
Marine Protection	22,000	20,000	21,500
<u>MOORINGS & HARBOUR DUES</u>			
Rent – Sutton Bridge Moorings			
Maintenance	500	500	500
Berthing & Harbour Dues	6,000	6,000	6,000
TOTAL	6,500	6,500	6,500
<u>RESEARCH VESSEL</u>			
<u>Three Counties/</u>			
Maintenance & Repairs	20,000	19,750	10,000
Refit	30,000	27,000	25,000
Insurance & Certification	15,000	15,000	16,000
Fuel	12,000	17,000	20,000
TOTAL	77,000	78,750	71,000
<u>ENFORCEMENT VESSELS</u>			
<u>Ribs</u>			
Maintenance & Repairs	30,000	28,000	25,000
Insurance & Certification	7,850	8,000	8,000
Fuel	5,500	8,000	7,500
TOTAL	43,350	44,000	40,500
<u>VEHICLES</u>			
Insurance	11,250	11,250	13,000
Fuel & Sundries	14,000	24,000	23,000
Servicing	4,500	4,500	4,500
Vehicle Tracking	1,500	1,500	1,000
TOTAL	31,250	41,250	41,500
Contingency		40,000	40,000

Forecast to March 2028

	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>
Income					
Levies	1,122,700	1,145,143	1,168,056	1,191,417	1,215,245
Defra Funding	544,145	544,145	394,145	394,145	394,145
Other	85,000	85,000	90,000	90,000	90,000
Total Income	1,751,845	1,774,288	1,652,201	1,675,562	1,699,390
Expenditure					
Staff cost	1,217,500	1,254,025	1,285,400	1,317,500	1,343,000
Administration	230,000	235,000	237,500	238,000	238,000
Operations	40,250	40,500	41,000	41,000	41,000
Vessels	118,000	120,000	120,000	120,000	120,000
Vehicles	41,500	42,000	42,000	42,000	42,000
Contingency	40,000	20,000			
Total	1,687,250	1,711,525	1,725,900	1,758,500	1,784,000
Surplus/Shortfall	64,595	62,763	(73,699)	(82,938)	(84,610)

Movement in reserves

	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>
Opening	2,154,768	1,589,258	1,222,680	1,339,335	1,444,745	746,289
Revenue	70,580	64,595	62,763	(73,699)	(82,938)	(84,610)
Asset rep	163,910	168,827	173,892	179,109	184,482	190,016
Utilised	(800,000)	(600,000)	(60,000)	(60,000)	(800,000)	(60,000)
Balance	1,589,258	1,222,680	1,339,335	1,444,745	746,289	791,695

Reserves over Forecast period

Opening 01/04/22	2,154,768
Surplus/(shortfall) 6 years	(43,309)
Asset replacement CC contrib.	1,060,236
Asset purchases	(2,380,000)
Balance	791,695

Asset Purchases

TC replacement	1,080,000	2022/23 to 2023/24
JA replacement	200,000	2023/24
ST replace	740,000	2025/26
Vehicles	360,000	2022/2028

Scenario does not include sale of assets or potential in year revenue savings.

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 9

Finance and HR Sub-Committee Meeting

01 November 2022

Defra Funding

Report by: Julian Gregory, CEO

Purpose of Report

To update members of the status of additional funding for the IFCAs from Defra agreed in SR 2021.

Recommendations

It is recommended that members:

Note the content of the report

Agree to delegate decision making on the requirement for additional temporary posts to the Chair, Vice-Chair and CEO.

Background

A spending review or occasionally comprehensive spending review is a governmental process in the United Kingdom carried out by HM Treasury to set firm expenditure limits and, through public service agreements, define the key improvements that the public can expect from these resources.

Spending reviews typically focus upon one or several aspects of public spending while comprehensive spending reviews focus upon each government department's spending requirements from a zero base (i.e. without reference to past plans or, initially, current expenditure).

In 2020 in response to the uncertainty associated with the EU Exit process and the Covid-19 pandemic a one-year spending review was agreed. As an outcome of that spending review the IFCAs maintained the government grant awarded to the IFCA funding authorities in accordance with the New Burdens formulae agreed at the creation of the IFCAs.

The Association of IFCAs (AIFCA) maintains the position that the new burdens grant issued to local authorities is done so in accordance with the new Burdens Doctrine and there is an expectation that this continues until such time as it is formally reviewed in accordance with that policy. The AIFCA have previously made representation to Defra on the precarious nature of IFCA funding.

Against this background the AIFCA and the IFCAs were invited, by Defra, to make a representation to Defra on the IFCA spending needs for the period 2021 to 2024, ahead of an anticipated spending review for that period to be announced in the Autumn. Accordingly, the AIFCA and the IFCAs, through their Chief Officers, considered the activities emerging from government policy where IFCAs would be expected or could reasonably be expected to helpfully contribute to policy implementation consistent with wider duties placed on the IFCAs.

As well as the emerging policy areas, consideration was given to the adequacy of the capital expenditure arrangement and the effect of inflation on the grant received.

A full submission was made and in addition to maintaining the existing 'New Burdens' funding a case was made for the following:

- Implementing Highly Protect Marine Areas
 - Capital and revenue to implement HPMAs
- Delivering Marine Protected Area management coordination
 - Revenue support – MPA network officers
- Delivering Fisheries Management Plans
 - Revenue support - Fisheries Science and Outreach Officers
- Facilitating Permitting, Consents and Licensing
- National Projects
- Capital programme

The bid was successful with the IFCAs New Burdens Funding of c. £3million being agreed and £1.65 million to support the additional initiatives relating to MPA management co-ordination, delivering Fisheries Management Plans (FMP) and facilitating permitting, consents and licensing.

The commitment to provide this funding was for 2022/23 and indicative for 2023/24 and 2024/25.

In addition there was an amount allocated for capital expenditure to support vessel maintenance and procurement.

Report

The New Burdens grant has been provided to Eastern IFCA this financial year and the revenue funding equates to £165k for each of the three years, but with a firm commitment only to the current financial year at this time. It is anticipated that we will pass £15k per year to the Association of IFCAs to support the national projects element of the bid so the anticipated funding for Eastern IFCA is £150k per year.

The capital funding bid is still under consideration by Defra, but indications are relatively positive. If approved the funding allocated to Eastern IFCA will support the purchase of a RIB to carry as a tender on the replacement for *RV Three Counties*, which is currently in build.

The process of approving and allocating the revenue funding has taken some time as Defra colleagues considered the most appropriate way to achieve accountability for use of the funds allocated to each IFCA. The element that relates to delivering fisheries management plans (FMP) has now been formally allocated and a letter has been received from Defra (Appendix A) outlining the tasks, deliverables, finance, and reporting of the FMP projects. It is anticipated that similar letters will accompany the budget allocations for the other two workstreams.

Financial Implications

The provision of additional funding is of benefit to annual budgets, but it brings a requirement to undertake additional work to meet new deliverables.

Legal Implications

None identified

Conclusion

Whilst the required FMP deliverables are still to be fully considered and assessed against other workstreams it is likely that they can be absorbed within current resource levels. It is also possible that the other two workstreams can be similarly absorbed but until the letters accompanying the allocation are received it is not possible to determine this. It is, therefore, recommended that responsibility for decision making on the necessity for additional resource (most likely temporary posts) to meet the requirements of the funding streams is delegated to the Chair, Vice-Chair and CEO.

Appendices

Letter from Anne Freeman, Deputy Director, Domestic Fisheries and Reform, Defra

Background Documents

None



Department
for Environment
Food & Rural Affairs

Cllr. Tom Fitzpatrick
Chair, Eastern IFCA
By email correspondence only

19
October
2022

Dear Tom

Fisheries Management Plan Programme – Delegation FY 22/23

This letter is issued in my capacity as Senior Responsible Officer for the Fisheries Management Plan Programme.

Fisheries Management Plans (FMPs) are a new policy tool which Defra, and its Arm's Length Bodies will use to implement the objectives of the Fisheries Act 2020. We want each IFCA to play a key role as a partner supporting Defra to drive forward the development of the English FMP programme over the next 3 years.

The requirements set out within this letter relate specifically to the role of the IFCAs in supporting delivery of the FMP programme with approved funding for 22/23. The intention is that each will receive further funding in support of this programme until the end of the SR21 period (24/25). However, as you are aware, given the current uncertainties over departmental budgets, future funding will be determined over the course of the year.

The work we are asking IFCAs to do to includes:

- Supporting the Defra led English FMP programme;
- Helping to coordinate communications and engagement with inshore fishing communities; and,
- Contributing fisheries management experience through technical advice and evidence to support policy development and implementation planning.

The IFCAs will also have an important role in supporting the future implementation of FMPs by contributing to the evaluation of policy and measures in pre-consultation draft and final FMPs. We welcome IFCA expertise to other aspects of the programme such

as regulatory assessments (environmental, financial and resource).

IFCAs will engage with FMP working groups through identified single points of contacts (and deputies), who will coordinate requests for information, evidence and data on behalf of the IFCAs. The Association of IFCAs will continue to represent the IFCAs on the FMP programme board (FMP programme board is the designated decision-making authority for the programme).

To allow the IFCAs to support these specific aspects of work we have provided funding of

£500,000 for the financial year 2022/2023. This sum will be shared equally amongst all the IFCA's with each IFCA receiving £50,000 for the deliverables listed in Annex A.

We anticipate that the role described in Annex A adequately covers the supportive role that is required of the IFCAs. Defra will however undertake a light touch review towards the end of this financial year to ensure it remains accurate and reflects the broad range of activities that are required for the next financial year. Any changes to this Annex will be discussed with Rob Clarke, Chief Officer of the Association of IFCAs in this first instance who will consult AIFCA members.

Governance and Assurance

Defra will require quarterly reporting on both the requests made to the IFCAs and progress undertaken. We will set up a working group where progress and issues specific to the IFCAs can be discussed. This process will fulfil Defra's responsibility to Manage Public Money effectively and efficiently. To track resource, we will be asking the Association of IFCAs to coordinate a log of all requests to IFCAs from Defra and our delivery partners plus any associated working groups in connection with the FMP programme.

I would like to pass on my thanks to those IFCA and AIFCA staff for their engagement to date and especially the collaborative and constructive way they have supported Defra during the early stages of the FMP Programme. I look forward to continued partnership in our joint endeavour. I will be asking Chief Officer, Julian Gregory to let Defra know which Local Authority should be asked to facilitate the transfer of this funding as early as possible.

Yours sincerely



Anne Freeman

Deputy Director – Domestic Fisheries and Reform

Annex A - IFCA requirements and deliverables for FMPs - RDEL

funding Support planning/preparation phase

1. Appropriate IFCA representatives (single points of contact (SPOC) and/or deputy) attend and contribute to FMP working group meetings
2. Contribute expert sectoral and inshore fisheries management advice to FMP projects
3. Contribute evidence and data as requested by delivery partners
4. Evaluate draft FMP content; to include commenting on objectives, management measures, evidence plans
5. Provide links between delivery partners and local IFCA representatives to help co-ordinate engagement with the inshore fishing sector

Support publication phase – review and evaluate

1. Support the pre and post consultation evaluation of draft/final FMPs:
 - a. Contribute to the review/assurance process as required.
 - b. Review efficacy of implementation plans
2. Contribute to environmental assessments
 - a. Evaluate effectiveness of plans in relation to the conservation of MPA features, sensitive species and habitats.
 - b. Contribute evidence and data to inform assessments
3. Contribute to financial and resource assessments

Log requests and feedback concerns

1. Maintain a log and track requests to all IFCA's from delivery partners, FMP projects and Defra across the programme regarding requirements set out above.
 - a. Log existing and ongoing requests.
 - b. Log when requests have been actioned.
 - c. SPOCs to feedback concerns to delivery partners/projects.

Deliverables out of scope of SR

funding Future implementation

- IFCA's role in inshore fisheries management will continue under business-as-usual arrangements – implementing any measures agreed through FMPs would fall under such BAU work rather than require additional funding.
- Any requirement to review HRA and MCZ assessments should fishing activity within MPAs change following implementation of FMPs and subsequent impacts on designated features detected. Any review would be part of the IFCA's standard HRA and MCZ assessments review process.

Cockle FMP

- Potentially act as the delivery partner for the cockle FMP (to be confirmed). If it were an IFCA, Defra would provide additional funding to resource the activities.