



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

**to be held at
EIFCA Offices, 6 North Lynn Business Village, Bergen Way,
King's Lynn, PE30 2JG
on
2nd May 2023
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: 2nd May 2023

Time: 10.30 hours

Venue: EIFCA Offices, 6 North Lynn Business Village, Bergen Way, King's Lynn, PE30 2JG

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 7th February 2023 (page 3)
- 5 Matters Arising – *Clerk*
- 6 Quarter 4 Payments and Receipts – *Hd Finance & HR* (page 8)
- 7 Quarter 4 Management Accounts – *Hd Finance & HR* (page 11)
- 8 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.
- 9 Appointment of External Accountants – *Hd Finance & HR* (page13)

Information Items

- 10 HR Update – *Hd Finance & HR* (page19)
- 11 New vessels update (verbal) – CEO / Hd Operations
- 12 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: 24th 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 7th February 2023 at 1030 hours.

Members Present:

Cllr T FitzPatrick	Chair	Norfolk County Council
Cllr E Back		Suffolk County Council
Cllr M Chenery of Horsbrugh		Norfolk County Council
Ms I Smith		MMO Appointee

Eastern IFCA Officers Present:

A Bakewell	Head Finance & HR
J Gregory	CEO

FHR22/37 Welcome

The Chairman welcomed members to the meeting, noting the start was slightly delayed due to traffic issues holding up members arrivals.

FHR22/38 Apologies for absence

Apologies for absence were received from Cllrs Adams (SCC), Coupland (LCC), Skinner (LCC) & Vigo Di Gallidoro (SCC), and Mr Butler (Head of Operations)

FHR22/39 Declarations of Members Interest.

No Declarations of Interest were received.

FHR22/40 Minutes of the Finance and Personnel Sub-committee meeting held on 1st November 2022

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

Proposed: Chair

Seconded: Cllr Chenery of Horsbrugh

All Agreed

FHR22/41 Matters Arising

Members were advised the only matter arising related to the new vessel which was included as an item on the agenda.

FHR22/42 Quarter 3 Payments and Receipts

The Head of Finance & HR advised members that the expenditure was catching up with expectations, some budget headings showed expenditure in excess of that expected for the quarter.

It was however noted that in month 8 there had been additional funding from Defra of £50k with a further £100k anticipated before the end of the financial year.

A reasonable amount of expenditure on legal fees had been incurred relating to the expiration of the WFO 1992 with more to be invoiced, ultimately this expense would be taken from the legal fee reserve. The CEO advised additional legal fees had been incurred in seeking Counsel's advice on a point of law relating to leases for lays as a result of a view put forward by the representatives of industry members, on which final confirmation from the Authority's solicitors was awaited.

It was noted expenditure included a settlement payment advised by NPLaw, as it would be less than the associated costs in taking the case to tribunal.

It was noted the asset purchase payment related to the purchase of a replacement vehicle.

Members Agreed to note the contents of the report.

Members Agreed to Note the contents of the paper.

FHR22/43 Quarter 2 Management Accounts

The Salaries and Wages Account was showing savings after the backpay had been paid following the pay settlement in December. There had been an overspend in NI as the original budget had not included the increase in NI which had not been known about when budgets were produced.

The General Establishment budget reflected the impact of inflationary increases, fortunately a contingency sum had been put in place of which about £10k remained. The fuel price increase had almost doubled the fuel expense incurred by EIFCA vehicles.

Training costs were higher than predicted due to having four relatively new IFCOs who were going through the required training regime.

Vessel operating costs had an overspend for the quarter due to maintenance issues on RV Three Counties, and FPV Sebastian Terelinck requiring a refurbishment of the impellers in the jet drives.

Ms Smith enquired why there was less income from WFO Licences which was attributed to the status of the fishery in 2022.

Cllr Chenery questioned how expenditure on enforcement compared to other years, it was felt this was very much in line with previous years. It was also noted the cost for related court cases and legal fees would fall under the legal fees budget, the Enforcement Budget reflected the cost of carrying out enforcement but not taking cases to court.

Members Agreed to Note the contents of the paper.

FHR22/44 External Audit Report

The Head of Finance & HR reminded members that each year the Annual Statement was sent for review by an external Auditor. The report came back with no issues.

Members Agreed to note the report.

FHR22/45 Appointment of Auditors

Members were advised the sub-committee annually agreed to appoint appropriate bodies to carry out the internal audit and to audit the Annual Return.

Previously these had been carried out by Norfolk Audit Services and PKF Littlejohn respectively.

Members Resolved to engage the services of Norfolk Audit Services to carry out the internal audit and the appointment of PKG Littlejohn to audit the Annual Return for the accounts relating to 2022/2023 Financial Year

Proposed: Cllr Chenery of Horsbrugh

Seconded: Cllr Back

All Agreed

FHR22/46 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 & 11 on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 1 of Schedule 12A of the Act.

Proposed: Chair

Seconded: Cllr Skinner

All Agreed

FHR22/47 New Vessel Update

The CEO provided a verbal update on the progress of the new vessel. At a previous meeting members had been made aware of three potential areas of concern.

The CEO explained these in detail and advised that at a meeting with the builders they had provided what appeared to be satisfactory responses. A subsequent letter had been very detailed, with numerous Appendices that made it difficult to understand.

The CEO has asked for the builders to provide a clear letter explaining specifically how the concerns have been resolved. As yet this has not been provided but there has been indication the letter would be sent later this week. The CEO had withheld a stage payment until the letter had been received, as it was essential there was a document trail held by the Authority highlighting all areas of concern had been resolved.

Members Agreed to note the content of the verbal report.

FHR22/48 HR Update

The Head of Finance advised there were no leavers and starters during the quarter. Leaving one vacancy in the Marine Science Team and one potential vacancy within the same team.

It was noted there was an ongoing issue which fell outside the scope of the last quarter which would be included in the next quarterly report.

To avoid the expensive process of a tribunal NPLaw had recommend a settlement which the Authority had paid. The Authority would now review the recruitment process to make it more robust. Any changes would be reported back.

It was noted that the impending retirement of the Head of Finance and HR had been delayed as a result of illness having delayed finding suitable external accountants. Members were advised it was planned to trial an external provider; it was noted that the retiring incumbent had provided more than accounts expertise which was why a trial period was required to see how well the change worked.

The Chair thanked Mr Bakewell for the flexibility in his retirement date.

Members Agreed to note the report.

FHR22/49 Any Other Business

No other urgent matters had been brought to the attention of the Chair.

There being no other matters to discuss the meeting closed at 1116 hours, the Chair thanked members for attending.

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Action Item 6

Finance and HR sub-committee meeting

2nd May 2023

Report by: Andrew Bakewell – Head of Finance & HR

Payments made and monies received during the period 1st January 2023 to 31st March 2023 (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 Jan to 31st March 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 2023

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

	Month 10	Month 11	Month 12	TOTAL
	£	£	£	£
Transfers to EIFCA Salaries Acct.	100,000.00	200,000.00		300,000.00
Rent, Rates & Service Charges	2,246.94	1,081.81	17,597.51	20,926.26
General Establishment	12,706.37	8,407.90	6,528.81	27,643.08
Legal Fees	1,029.90	368.00	1,931.80	3,329.70
Staff Travelling & Subsistence	241.92	1,150.70	731.17	2,123.79
Members' Allowances	64.20		399.71	463.91
Training	1,150.00	2,806.87	3,163.67	7,120.54
Moorings/Harbour Dues	1,054.17		2,953.36	4,007.53
Three Counties Operating Costs	419.96	1,779.23	7,525.75	9,724.94
FPV JA & ST –Operating Costs	126.20	12,183.53	7,909.07	20,218.80
Vehicle Operating Costs	2,235.27	2,580.62	17,327.34	22,143.23
Communication and Development				
Marine Science	99.98		110.28	210.26
Enforcement	8.33	1,225.63	3,606.75	4,840.71
Wash & Nth Norf. EMS Project				
Asset Purchases		316,703.05		316,703.05
Petty Cash				
VAT recoverable (Quarter)	3,476.73	68,889.36	8,169.24	80,535.13
Grant funded project				
TOTAL PAYMENTS MADE	124,859.97	617,176.86	77,954.46	819,990.93

Monies received during the period January to March 2023

	Month 10	Month 11	Month 12	TOTAL
	£	£	£	£
Levies				
Defra funding				
Asset replacement				
WFO – Licences				
EMFF Grants				
Whelk licences		345.00	810.00	1,155.00
Wash & North Norfolk Coast EMS				
VAT		21,861.24		21,861.24
Fixed Penalty Fine				
EHO sampling	3,584.00	6,912.00		10,496.00
Lay rents		168.00		168.00
Court costs				
Interest	2.25	2.25	15,476.31	15,480.81
Asset Sales	4,150.00			4,150.00
Miscellaneous		15.00	39.30	54.30
TOTAL MONIES RECEIVED	7,736.25	29,303.49	16,325.61	53,365.35

Expenses –

Month 11 ST repairs £11,321, Assets £316,703 stage payment new vessel.

Month 12 Rent & Rates incs. Qtrly rents £9,300, vehicles incs. Annual insurance £14,200

Income –

Interest incs. £13,180 paid on deposit with SCC.

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Action Item 7

Finance and HR sub-committee meeting

2nd May 2023

Report by: Andrew Bakewell – Head of Finance and HR

Report on the Management Accounts for the 4th Quarter of the 2022/23 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	32,139	Vacancies (part year)
General expenditure	(43,520)	Legal Fees (WFO) £(9)k, Training £(9)k Decorate office £(3)k new hardware £(6)k
Enforcement	2,468	
Marine Science	(6,808)	ROV repairs
Vessels	(27,786)	ST cooling repairs £(11.3)k hull £5)k Fuel inflation
Vehicles	(13,217)	Extra vehicle fuel price
Media	1,000	Spend allocated elsewhere
Income	35,433	Defra £50k additional (£100k with NCC will Be with EIFCA early 23/24. WFO £(12.9)k reduced take up. EHO to be invoiced 23/24
Total	(20,291)	

Management Accounts Financial Year 2022/2023

	ACTUAL Year to Date Qtr 4 £	BUDGET YTD Qtr 4 £	VARIANCE	MEMO Budget For Year £
<u>SALARIES & WAGES</u>				
Staff Remuneration	859,504	890,000	30,496	890,000
Pension	199,063	205,000	5,937	205,000
National Insurance	92,294	88,000	(4,294)	88,000
TOTAL	1,150,861	1,183,000	32,139	1,183,000
<u>GENERAL EXPEND</u>				
Accommodation	73,584	67,450	(6,134)	67,450
Insurance	9,333	8,750	(583)	8,750
General Establishment	119,083	92,000	(27,083)	92,000
Officers' Expenses	14,238	12,750	(1,488)	12,750
Members' Travel	925	1,500	575	1,500
Training	33,807	25,000	(8,807)	25,000
TOTAL	250,970	207,450	(43,520)	207,450
Media & Comms		1,000	1,000	1,000
Enforcement	19,532	22,000	2,468	22,000
Marine Science	22,308	15,500	(6,808)	15,500
Operation Blake				
<u>VESSELS</u>				
Moorings/Harbour Dues	10,440	6,500	(3,940)	6,500
Vessel Operating Costs				
Three Counties	67,108	62,000	(5,108)	62,000
FPVs ST & S/Spray	54,088	35,500	(18,588)	35,500
Vessels insurance	23,000	22,850	(150)	22,850
TOTAL	154,636	126,850	(27,786)	126,850
<u>VEHICLES</u>				
Operating Costs	44,467	31,250	(13,217)	31,250
TOTAL	44,467	31,250	(13,217)	31,250
Contingency				
TOTAL EXPENDITURE	1,642,774	1,587,050	(55,724)	1,587,050
<u>INCOME</u>				
Bank Interest	16,114	15,000	1,114	15,000
Levies	1,100,685	1,100,685	-	1,100,685
WFO Licence	32,122	45,000	(12,878)	45,000
Whelk licences	4,505	5,000	(495)	5,000
Asset replacement	163,910	163,910	-	163,910
DEFRA	394,145	394,145	-	394,145
Defra (workstreams)	50,000		50,000	
EMFF Grants	1,045		1,045	
Asset Sales	4,550		4,550	
FAPs	1,000		1,000	
EHO sampling	11,264	20,000	(8,736)	20,000
Miscellaneous	472		472	
Lay rents	2,361	3,000	(639)	3,000
TOTAL INCOME	1,782,173	1,746,740	35,433	1,746,740
New Vessel	316,703		(316,703)	
Asset Purchases	57,710		(57,710)	
Reserve movement	(235,014)	159,690	(395,704)	159,690