



**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  
5<sup>th</sup> November 2024**

**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: 5 November 2024

Time: 10.30 hours

Venue: Eastern IFCA, Unit 6 North Lynn Business Village, Bergen Way, King's Lynn Norfolk, 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 6 August 2024 (pg4)
- 5 Matters Arising - *Clerk*
- 6 Year-end accounts 2024 update - *CEO / Joanne Sams (pg 9)*
- 7 Quarter 2 Payments and Receipts – *CEO / Joanne Sams (pg 13)*
- 8 Quarter 2 Management Accounts – *CEO / Joanne Sams (pg 15)*
- 9 Provisional budget 2025-26 and Budget Forecast to 2030 – *CEO / Joanne Sams (pg 18)*
- 10 *To resolve that, under section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for*
  - a. *Items 12 and 13 on the grounds that it involves the disclosure of information which is likely to reveal the identity of an individual which is exempt information as defined in paragraph 2 of Schedule 12A of the Act; and*
  - b. *Item 11 on the grounds that it involves the disclosure of Information relating to the financial or business affairs of any particular person (including the authority holding that information) which is exempt information as defined in Paragraph 3 of Schedule 12A of the Act.*
- 11 Vessel expenditure – DCO (pg 28)
- 12 Structure Review update – CEO (pg 37)

## **Information Items**

13 HR Update – DCO (pg 44)

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: 28 October 2024

## Vision

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## Finance & HR Sub-Committee

A meeting of the Finance & HR Sub-Committee took place at the EIFCA Offices, King's Lynn on 6<sup>th</sup> August 2024 at 1030 hours.

### Members Present:

Cllr T FitzPatrick	Chair	Norfolk County Council
Cllr T Adams		Norfolk County Council
Cllr E Back		Suffolk County Council
Cllr M Chenery of Horsbrugh		Norfolk County Council
Cllr P Coupland		Lincolnshire County Council
Mr S Williamson		MMO Appointee

### Eastern IFCA Officers Present:

J Butler	Deputy Chief Officer
J Gregory	CEO

### Other Bodies

J Sams	Aston Shaw Accountants
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### FHR24/13 Welcome

The Chair welcomed members to the meeting.

### FHR24/14 Apologies for absence

Apologies for absence were received from Cllrs Skinner (LCC) and Vigo Di Gallidoro (SCC) and Ms I Smith (MMO Appointee)

### FHR24/15 Declarations of Members Interest.

No Declarations of Interest were received.

### FHR24/16 Minutes of the Finance and Personnel Sub-committee meeting held on 7<sup>th</sup> May 2024

**Members Agreed to accept the minutes as a true record of proceedings.**

**Proposed: Cllr Back**

**Seconded: Cllr Coupland**

**All Agreed**

#### **FHR24/17 Matters Arising**

There were no matters arising, it was noted the Annual Return for the Audit had been signed, one piece of information was required from the accountants in order for the information to be sent to the External Auditors.

#### **FHR24/18 Quarter 1: Payments and Receipts**

There remained some glitches in allocation of payments and receipts to sub-headings, these were being worked out with the bookkeeping department at the accountants. It was inevitable there would be a few teething issues when using new software. It was noted these glitches related to how expenditure was aligned under headings in the Payment and Receipts as opposed to there being any issues with the totals in both the Payments and Receipts and the Management Accounts. Joanne Sams advised that the bank reconciliations were all in order.

**Members Agreed to Note the contents of the paper.**

#### **FHR24/19 Quarter 1: Management Accounts**

It was noted there was no excessive expenditure and that accruals from the previous years' accounts had been covered in these accounts. Payments made early in the year which applied to a full year's expenditure would be spread across the remaining 3 quarters Management Accounts to show a reflection of expenditure across the year, rather than the payments and receipts which showed actual expenditure at the time it happens.

**Members Agreed to note the content of the report.**

#### **FHR24/20` Asset Disposal**

Members were reminded that a decision had been taken not to take account of depreciation for vehicles in the Asset Register. Financial Regulations stated the Finance & HR Sub-Committee must approve the disposal of any asset above £10k in value.

In November 2023 sub-committee members had agreed to the disposal of several vehicles. Only one of these vehicles had so far been sold, the CEO wished for members to be aware at least two of the remaining vehicles will still be disposed of and whilst they will have an actual value below £10k, their value on the Asset Register was above £10k. For vehicle sales the actual valuation at the time would be applied as the value of the vehicle.

Cllr Coupland enquired what the current book value of these vehicles was, as this had not been sought it was not possible for the amount to be stated, although Members were advised the previous vehicle was

sold for the below £5k. Initial valuations would normally be obtained from an online valuer.

Cllr Coupland queried why EIFCA did not identify one manufacturer who they could buy and trade-in vehicles with to get a better trade in value. The CEO advised that because EIFCA only operated a very small fleet and kept vehicles for 7 years there was not sufficient turnover to have a standing deal with one manufacturer. He also advised that better value was achieved by using a Government Purchasing Scheme, which had previously seen savings of circa 20% on list prices. More recently, good deals had been achieved with commercial providers.

Cllr Adams felt it imperative that there were no operational gaps caused in the process of selling and buying vehicles. It was noted that occasionally if there was a vehicle shortage and an officer was attending a training course, they might be asked to use their own vehicle, providing they had the correct business use insurance. Generally vehicles were located at strategic locations across the district to ensure accessibility by Officers.

**Members Resolved to:**

- **Note the contents of the report**
- **Agree to the disposal of vehicle assets in line with the Authority's Constitution and Standing Orders**
- **Agree that 'worth', as referred to in point 6 of the scheme of delegations for the Finance & HR Sub-committee, with respect to the Authority's vehicles, would be taken to mean the market value of the asset at the time of disposal as determined through obtaining at least one quote as to the asset's worth from a relevant and reputable source.**

**Proposed: Cllr Adams**

**Seconded: Cllr Chenery of Horsbrugh**

**All Agreed**

**FHR24/21 Resolution**

**Members Resolved 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 involved the likely disclosure of exempt information as defined in Paragraph 1 of Schedule 12A of the Act.**

**Proposed: Chair**

**Seconded: Cllr Back**

**All Agreed**

## **FHR24/22 Vessel Disposal**

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

The regularity of vessel sales was queried, to which Members were advised this could be between 10 – 30 years depending on the vessel's size.

Currently EIFCA had a vessel for sale which had completed 20 years' service. This vessel being very bespoke in nature had initially been valued in 2021 when second-hand vessel prices were increasing as a result of the knock-on effect of Covid 19.

Since the valuation prices had fallen, and with the bespoke nature of the vessel members were asked to reconsider the acceptable offer price from potential buyers, as well as delegating the decision making to the CEO, Chair and Vice Chair to enable a more dynamic response.

The vessel remained moored at Sutton Bridge at no cost and was operational, however, ongoing costs such as insurance and essential maintenance was not desirable in the long-term.

Members considered the options for selling a vessel, and noted the economic situation at any time could affect the sale price. It was accepted the best price would be achieved. Mr Williamson, who had experience in selling vessels, advised that marketing the vessel on the basis that serious offers would be considered might be a good way forward.

### **Members Resolved to:**

- **Note the content of the report**
- **Authorise the sale of RV Three Counties at the best achievable price in the current market**
- **Agree to delegate decision making regarding the sale of RV Three Counties to the CEO in consultation with the Chair and Vice Chair of the Authority.**

**Proposed: Cllr Back**

**Seconded: Cllr Adams**

**All Agreed**

## **FHR24/23 HR Update**

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

Members were advised there had been no new starters and leavers during the quarter.

The four most recent MSO recruits had all passed their probation, as had a Project Officer.

Three other officers remained in the process of completing their probation.

There remained one Grade5 MSO vacancy, which would be considered once current probations had been completed.

The Authority's HR Consultant was continuing to work through all the Policies, it was anticipated this would be completed by the end of August. The process had been slightly delayed waiting for a response from Norfolk CC HR department re use of their policies, which ultimately, they had not been able to share. Once completed all revised policies would be shared with Unison.

Sickness absence remained low, one officer was on a phased return following long term absence as the result of a back operation.

One flexible working request had been withdrawn, a second was going through a six-month trial period.

EIFCA had hosted a year 10 work experience student which had received positive feedback

**Members Agreed to note the content of the Report.**

#### **FHR24/24 New Vessel Update**

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

Members were advised handover of Protector IV had taken place and the vessel was now in service. The last stage payment had been made. Officers had experienced some 'teething' issues, which was to be expected, and they had been addressed under warranty.

Build of the daughter vessel for Protector IV was almost complete, delivery was anticipated by the end of August.

The naming ceremony for Protector IV had been re-scheduled for the date of the next Authority meeting -11<sup>th</sup> September 2024.

Handover of Thunderstruck had also taken place, it was hoped this would be all vessels purchased for the foreseeable future.

**Members Agreed to note the content of the report.**

#### **FHR24/25 Any Other Business**

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

There being no other matters to discuss the meeting closed at 1130 hours, the Chair thanked members for attending.



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## Action Item 6

### Finance and HR Sub-Committee Meeting

05 November 2024

### Year-end Accounts 2024 Update

**Report by:** Julian Gregory, CEO

#### **Purpose of Report**

To advise members of an administrative error in reporting the year end accounts for 2024.

#### **Recommendations**

It is recommended that members:

**Note** the content of the report

#### **Background**

It is a requirement of the of the Authority's Constitution and Standing Orders that annual accounts are completed in a timely manner for presentation to the Authority as soon as practicable after the end of the financial year and that they are reported to the Finance and HR Sub-Committee at the first scheduled meeting after 31 May in any one year. The Finance and HR Sub-Committee is responsible for the approval of the annual Statement of Accounts prior to submission to the external auditors.

In order to meet timescales relating to audit the annual accounts were considered by the Finance & HR sub-committee at its meeting of 7 May 2024.

#### **Report**

Subsequent to the presentation of the 2024 year-end accounts to the sub-committee it was identified that there was an error of omission on the Joint Committees Annual Return for the Financial Year ended 31 March 2024, which is submitted to PFK Littlejohn as the external auditor.

Upon review it was identified that this arose from an administrative error in the Expenditure section of the annual accounts inasmuch as the line for salary showed the figure £917,341 whereas the actual figure that should have been shown is £1,196,266.

The reason for the discrepancy was that two lines in the spreadsheet that accounted for Pensions and Tax had been hidden so only the figure for Salaries was shown and this is what was reported to the sub-committee.

It is important to note that whilst an incorrect figure was shown this did not affect the overall totals in the accounts because the hidden lines in the spreadsheet were still included in calculations.

The original incorrect table can be found at Appendix A and the new corrected table can be found at Appendix B with the revised figure highlighted in yellow.

### **Financial Implications**

There are no known financial implications.

### **Legal Implications**

There are no known legal implications.

### **Appendices**

Appendix A – Incorrect table

Appendix B – Revised (correct) table

### **Background Documents**

Papers and minutes of the meeting of the Finance & Personnel sub-committee held on 7 May 2024.

## Appendix A – Incorrect Table

<b>Eastern Inshore Fisheries and Conservation Authority</b>			
<b>Income &amp; Expenditure</b>			
<b>For the year ended</b>			
<b>31 March 2024</b>			
	<b>31/03/2024</b>	<b>Year Ended 31/03/2023</b>	
	<b>£</b>	<b>£</b>	
<b>Income</b>			
Levies	1,122,705	1,100,685	
New Burden Funding	394,145	394,145	
Asset Replacement	168,827	163,910	
Defra Asset Replacement	270,000	-	
Defra (workstream funding)	140,000	50,000	
Asset Disposal	5,850	-	
Fines and Costs	-	1,000	
Interest	21,661	2,934	
Miscellaneous Income	20,256	23,153	
Project Grants	45,000	1,045	
Interest on SCC Deposit	30,338	13,180	
Wash Fishery Order	3,292	32,122	
Whelk Licences	6,351		
EHO Sampling	17,760		
Shrimp Permit	3,600	-	
	<b>2,249,785</b>	<b>1,782,174</b>	
<b>Total Income</b>	<b>2,249,785</b>	<b>1,782,174</b>	
<b>Expenditure</b>			
Salaries	917,341	1,069,850	
General Expenditure	269,057	210,416	
Training	20,230		
Media and Publicity	1,002	1,176	
Marine Science	27,625	21,960	
Marine Protection	15,787	16,924	
Moorings	7,472	2,470	
Three Counties	34,928	72,805	
Patrol Vessels	44,041	47,009	
Vessels Insurance	39,699		
Vehicles	28,029	34,911	
Asset Purchases	692,986	529,304	
Wash Fishery Order	2,911	3,083	
	<b>2,385,794</b>	<b>2,009,908</b>	
<b>INCOME less EXPENDITURE</b>	<b>(136,009)</b>	<b>(227,734)</b>	

## Appendix B – Revised (correct) table

### Eastern Inshore Fisheries and Conservation Authority

#### Income & Expenditure

For the year ended

31 March 2024

	<u>31/03/2024</u>		<u>Year Ended 31/03/2023</u>	
	£	% of sales	£	% of sales
<b><u>Income</u></b>				
Levies	1,122,705	49.90	1,100,685	61.76
New Burden Funding	394,145	17.52	394,145	22.12
Asset Replacement	168,827	7.50	163,910	9.20
Defra Asset Replacement	270,000	12.00	-	0.00
Defra (workstream funding)	140,000	6.22	50,000	2.81
Asset Disposal	5,850	0.26	-	0.00
Fines and Costs	-	0.00	1,000	0.06
Interest	21,661	0.96	2,934	0.16
Miscellaneous Income	20,256	0.90	23,153	1.30
Project Grants	45,000	2.00	1,045	0.06
Interest on SCC Deposit	30,338	1.35	13,180	0.74
Wash Fishery Order	3,292	0.15	32,122	1.80
Whelk Licences	6,351	0.28		0.00
EHO Sampling	17,760	0.79		0.00
Shrimp Permit	3,600	0.16	-	0.00
	<b>2,249,785</b>	<b>100.00</b>	<b>1,782,174</b>	<b>100.00</b>
<b><u>Total Income</u></b>	<b>2,249,785</b>	<b>100.00</b>	<b>1,782,174</b>	<b>100.00</b>
<b><u>Expenditure</u></b>				
Salaries	1,196,266	40.77	1,069,850	60.03
General Expenditure	269,057	11.96	210,416	11.81
Training	20,230	0.90		0.00
Media and Publicity	1,002	0.04	1,176	0.07
Marine Science	27,625	1.23	21,960	1.23
Marine Protection	15,787	0.70	16,924	0.95
Moorings	7,472	0.33	2,470	0.14
Three Counties	34,928	1.55	72,805	4.09
Patrol Vessels	44,041	1.96	47,009	2.64
Vessels Insurance	39,699	1.76		0.00
Vehicles	28,029	1.25	34,911	1.96
Asset Purchases	692,986	30.80	529,304	29.70
Wash Fishery Order	2,911	0.13	3,083	0.17
	<b>2,385,794</b>	<b>106.05</b>	<b>2,009,908</b>	<b>112.78</b>
<b><u>INCOME less EXPENDITURE</u></b>	<b>(136,009)</b>	<b>-6.05</b>	<b>(227,734)</b>	<b>-12.78</b>

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### Action Item 7

#### **Finance and HR sub-committee meeting.**

5 November 2024

**Report by:** Julian Gregory, CEO and Joanne Sams – Aston Shaw Accountants

#### **Payments made and monies received during the period 1 July to 30 September 2024 (Quarter 2)**

#### **Purpose of report**

To provide first quarter payment and receipts for members to note.

#### **Recommendations**

Members are asked to:

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

#### **Background**

It is a requirement of the Authority's Constitution and Standing Orders that the Authority's payments and receipts are presented to Members of the Finance and HR sub-committee on a quarterly basis.

#### **Report**

The report on Payments made and monies received during the quarter 1 of the financial year 2024-25 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.

<b>Payments made during the period 1st July to 30th September 2024</b>				
	<b>Month 7</b>	<b>Month 8</b>	<b>Month 9</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Transfers to EIFCA Salaries Account	99,000.00	99,000.00	99,500.00	297,500.00
Rent	-	-	6,958.25	6,958.25
Rates	1,248.00	1,248.00	1,248.00	3,744.00
Electricity	564.72	518.19	536.54	1,619.45
Water	92.21	24.00	95.55	211.76
Service Charges - Office	-	-	-	-
Maintenance & Redecoration - office/Un	1,279.59	105.91	219.22	1,604.72
Insurance Office/Unit A	343.30	-	-	343.30
Subscriptions	1,297.44	262.00	2,601.40	4,160.84
Recruitment	-	-	-	-
Legal & Professional Fees	6,474.36	8,036.69	2,301.30	16,812.35
Telephones	383.21	1,511.26	1,282.71	3,177.18
Postage & Stationery	1,411.10	960.80	765.35	3,137.25
IT Support	-	2,506.00	-	2,506.00
Uniforms & Protective Clothing	1,271.73	804.50	584.20	2,660.43
Medical Costs	115.00	115.00	-	230.00
Sundry costs (inc meeting costs)	473.91	327.37	207.22	1,008.50
Officers Travel & Subsistence	3,227.73	354.51	842.23	4,424.47
Members Expenses	19.35	-	-	19.35
Training	541.67	-	-	541.67
Media & Adverts	-	-	486.00	486.00
Marine Science	1,193.19	2,757.78	207.91	4,158.88
Enforcement	781.93	31.80	2,013.95	2,827.68
Wash Fisheries / Lays	-	-	-	-
Moorings & Harbour Dues	91.00	747.50	311.66	1,150.16
Three Counties/Thunderstruck/PIV	1,357.68	218.71	1,796.30	3,372.69
RIBs - ST/SeaSpray/SeaRunner	373.44	3,304.27	9,925.58	13,603.29
Vessel Fuel	5,665.75	321.23	947.44	6,934.42
Vessel Insurance	-	-	-	-
Vehicle Operating Costs	3,107.27	4,442.31	2,546.08	10,095.66
Grant Funded Project	-	-	-	-
Asset Purchases	85732.08	18138.96	3436.21	107,307.25
<b>VAT Recoverable</b>	<b>21,831.83</b>	<b>8,308.20</b>	<b>5,843.28</b>	<b>35,983.31</b>
<b>TOTAL PAYMENTS MADE</b>	<b>237,877.49</b>	<b>154,044.99</b>	<b>144,656.38</b>	<b>536,578.86</b>
<b>Monies received during the period 1st July to 30th September 2024</b>				
	<b>Month 4</b>	<b>Month 5</b>	<b>Month 6</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Levies	334,194.00	376,982.00		711,176.00
Defra New Burden funding	113,908.00	128,491.00		242,399.00
Asset replacement	50,255.00	56,689.00		106,944.00
WFO - Permit				-
Grants	12,500.00			12,500.00
Whelk Permits	325.00			325.00
Shrimp Permit	1,600.00	197.50		1,797.50
VAT				-
Fixed Penalty Fine				-
EHO Sampling				-
Lay Rents	202.80			202.80
Court Costs				-
Bank bonuses/Interest	1.80	0.90	4,288.98	4,291.68
Asset Sales			5,568.61	5,568.61
Refund Costs			105.00	105.00
Miscellaneous	79.98		525.60	605.58
<b>TOTAL PAYMENTS RECEIVED</b>	<b>513,066.58</b>	<b>562,360.40</b>	<b>10,488.19</b>	<b>1,085,915.17</b>

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### Action Item 8

## Finance and HR sub-committee meeting.

5 November 2024

**Report by:** Julian Gregory, CEO and Joanne Sams – Aston Shaw Accountants

### **Report on the Management Accounts during the period 1 April to 30 September 2024 (Quarter 2)**

#### **Purpose of report**

To provide fourth quarter Management Accounts for members to note.

#### **Recommendations:**

Members are asked to:

- **Note** the Management Accounts

#### **Background**

It is a requirement of the Authority's Constitution and Standing Orders that the quarterly accounts are presented to Members of the Finance and HR sub-committee on a quarterly basis.

#### **Report**

The report on the management accounts up to the end of quarter 1 of the financial year 2024-25 are shown in the following tables.

#### **Background documents**

There are no background documents to this paper.

<b>Management Accounts - April - September 2024</b>						
<b>Account</b>	<b>Year To Date</b>			<b>Budget</b>		
	<b>Jul-Sept 2024</b>	<b>Apr-Jun 2024</b>	<b>TOTAL</b>	<b>year to date</b>	<b>Variance</b>	<b>Budget 24/25</b>
<b>Salaries &amp; Wages</b>						
Wages	225,695.43	226,428.65	452,124.08	513,578.00	61,453.92	£ 1,027,156
Employers Pension	48,738.17	44,871.84	93,610.01	115,778.50	22,168.49	£ 231,557
Employers NIC	23,747.55	23,836.33	47,583.88	48,828.50	1,244.62	£ 97,657
<b>Total Salaries &amp; Wages</b>	<b>298,181.15</b>	<b>295,136.82</b>	<b>593,317.97</b>	<b>678,185.00</b>	<b>84,867.03</b>	<b>£ 1,356,370</b>
<b>General Expenditure</b>						
Accommodation	13,593.93	16,954.84	30,548.77	43,902.50	13,353.73	£ 87,805
Insurance	5,151.27	1,567.82	6,719.09	5,443.00	(1,276.09)	£ 10,886
General Establishment	43,657.33	38,569.85	82,227.18	69,050.00	(13,177.18)	£ 138,100
Officers Expenses	2,713.39	6,998.31	9,711.70	7,500.00	(2,211.70)	£ 15,000
Members Travel	19.35	293.22	312.57	750.00	437.43	£ 1,500
Training	541.67	2,810.00	3,351.67	17,500.00	14,148.33	£ 35,000
<b>Total General Expenditur</b>	<b>65,676.94</b>	<b>67,194.04</b>	<b>132,870.98</b>	<b>144,145.50</b>	<b>11,274.52</b>	<b>£ 288,291</b>
<b>Operational Costs</b>						
Media & Adverts	486.00	0.00	486.00	500.00	14.00	£ 1,000
Enforcement	2827.68	5532.28	8,359.96	10,750.00	2,390.04	£ 21,500
Marine Science	3,757.16	5,530.06	9,287.22	9,000.00	(287.22)	£ 18,000
<b>Total Operational Costs</b>	<b>7,070.84</b>	<b>11,062.34</b>	<b>18,133.18</b>	<b>20,250.00</b>	<b>2,116.82</b>	<b>£ 40,500</b>
<b>Grant Funded Project</b>						
Grant Funded Project	0.00	776.74				
<b>Total Grant Funded Proje</b>	<b>0.00</b>	<b>776.74</b>				
<b>Vessels</b>						
<b>Enforcement / Research Vessels</b>						
Three Counties Repairs &	394.97	24,989.56	25,384.53			
Protector IV - running cos	1,107.56	639.38	1,746.94			
Thunderstruck - running c	1,425.85	782.92	2,208.77			
<b>Total Enforcement/Resea</b>	<b>2,928.38</b>	<b>26,411.86</b>	<b>29,340.24</b>	<b>11,000.00</b>	<b>(18,340.24)</b>	<b>£ 22,000</b>
<b>RIBS</b>						
Sea Spray Expenditure	1,063.14	421.20	1,484.34			
C-Fury - runnings costs	70.86	87.66	158.52			
Sebastian Terrelink Exper	12,458.77	7,274.54	19,733.31			
<b>Total RIBs</b>	<b>13,592.77</b>	<b>7,783.40</b>	<b>21,376.17</b>	<b>15,000.00</b>	<b>(6,376.17)</b>	<b>£ 30,000</b>
<b>Fuel All Vessels</b>	<b>6,352.36</b>	<b>15,088.82</b>	<b>21,441.18</b>	<b>20,000.00</b>	<b>(1,441.18)</b>	<b>£ 40,000</b>
<b>Mooring &amp; Harbour Dues</b>	<b>1088.91</b>	<b>1157.63</b>	<b>2,246.54</b>	<b>3,250.00</b>	<b>1,003.46</b>	<b>£ 6,500</b>
<b>Vessels Insurance</b>	<b>11,311.78</b>	<b>4,064.85</b>	<b>15,376.63</b>	<b>21,000.00</b>	<b>5,623.37</b>	<b>£ 42,000</b>
<b>Total Vessels</b>	<b>35,274.20</b>	<b>54,506.56</b>	<b>89,780.76</b>	<b>70,250.00</b>	<b>(19,530.76)</b>	<b>140,500.00</b>
<b>Vehicles</b>						
<b>Vehicle Operating Costs</b>	<b>12,076.44</b>	<b>9,258.08</b>	<b>21,334.52</b>	<b>22,920.00</b>	<b>1,585.48</b>	<b>£ 45,840</b>
<b>Contingency</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>20,000.00</b>	<b>20,000.00</b>	<b>£ 40,000</b>
<b>TOTAL EXPENDITURE</b>	<b>£ 418,280</b>	<b>£ 437,158</b>	<b>£ 855,437</b>	<b>955,750.50</b>	<b>100,313.09</b>	<b>£ 1,911,501</b>



		<b>Jul-Sept 2024</b>	<b>Apr-Jun 2024</b>	<b>TOTAL</b>	<b>Variance</b>	<b>Budget 24/25</b>
<b>Income</b>						
	Levies	711,176.00	445,205.00	1,156,381.00	0.00	£ 1,156,381
	Asset Replacement	106,944.00	66,948.00	173,892.00	0.00	£ 173,892
	New Burden	242,399.00	151,746.00	394,145.00	0.00	£ 394,145
	Defra Work Stream	0.00	0.00	0.00	150,000.00	£ 150,000
	<b>Total Income</b>	<b>1,060,519.00</b>	<b>663,899.00</b>	<b>1,724,418.00</b>	<b>150,000.00</b>	<b>£ 1,874,418</b>
<b>Miscellaneous Income</b>						
	Whelk Permits	325.00	2,435.00	2,760.00		
	Shrimp Permit	2,002.50	0.00	2,002.50		
	EHO Income	0.00	21,716.00	21,716.00		
	Wash Fisheries/Lays	202.80	(100.01)	102.79		
	Bank Bonus & Interest	4,291.68	4,516.84	8,808.52		
	Grants	18,750.00	0.00	18,750.00		
	WWF Grant - Cromer Shoal	(50.93)	15,000.00	14,949.07		
	Miscellaneous	525.60	6,562.94	7,088.54		
	<b>Total Miscellaneous Income</b>	<b>26,046.65</b>	<b>50,130.77</b>	<b>76,177.42</b>	<b>35,822.58</b>	<b>£ 112,000</b>
	<b>TOTAL INCOME</b>	<b>1,086,565.65</b>	<b>714,029.77</b>			<b>£ 1,986,418</b>

### 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 & HR Sub-Committee

5 November 2024

**Report by:** Julian Gregory, CEO and Joanne Sams, Aston Shaw Accountants

### **Provisional Budget for the period 1 April 2025 to 31 March 2026 and Forecast to 2029/30**

#### **Purpose of report**

To present the Draft Budget for the 2025/26 financial year along with the Forecast for the following 4 years to 2030. The estimates detailed below are for agreement and recommendation to the full Authority at their next statutory meeting on 11 December 2024.

#### **Recommendations**

Members are asked to:

- **Note** the content of the report and that there may be relatively minor revisions to the budget and budget headings prior to consideration by the full Authority.
- **Approve and recommend** the Draft Budget 2025/26 to the full Authority at their next meeting on 11 December 2024.
- **Approve and recommend** the Levies for 2025/26 to the full Authority at their next meeting on 11 December 2024.
- **Approve** the Forecast for the following 4 years to 2029/30 for presentation to the full Authority at their next meeting on 11 December 2024.

#### **Background**

It is a requirement of the Authority's Constitution and Standing Orders (Financial Regulations) that detailed estimates of income and expenditure on revenue services, and receipts and payments on capital account, shall be prepared as directed each year by the Responsible Finance Officer (RFO). Proposals in respect of revenue services and capital projects in a rolling five-year forecast shall also be prepared as directed each year by the RFO.

It is the responsibility of the Finance and HR Sub-Committee to review the estimates and make a recommendation to the Authority not later than the end of December in each year on the precept to be levied for the ensuing financial year.

#### **Report**

This is the second budget that has been prepared by the RFO and officers in conjunction with the Authority's outsourced accountant, whereas previously it would have been prepared by the Head of Finance & HR. The first year was described as being 'under development' and that it was likely that some amendments would be made prior to the final draft being put before the full Authority. In particular it was

intended to undertake a review of budget headings to address anomalies to provide clarity.

Changes in accounting methods and accounting software have continued to present challenges during the last year but work to rationalise budget headings has progressed and this is reflected in the estimates of expenditure.

It should be noted that the introduction of new vessels has impacted upon operating costs and whilst the new vessels have been in service for a short time, so there is some information available upon which to base cost projections, the vessels have not operated for a full year. This means that the estimations of expenditure are not as firm as they will be in future years.

Development of the draft Estimates of Expenditure for the financial year 2025/2026 was informed by the annual meeting between officers and the Finance Directors, or their nominated representatives, held on 7 October 2024. At this meeting it was agreed that a 3% inflationary uplift on the general levy and the previously agreed annual uplift of 3% on the contribution to asset replacement was considered acceptable by each of the three funding county councils. The 3% uplift on the general levy is the same as last year, which was slightly higher than the previously agreed annual uplift of 2%.

Given inflation rates experienced over the last 18 months this reflects a cut in real terms and action is likely to be required to address this, which was the subject of discussion during the meeting. The County Council finance representatives asked what the Authority's strategy was to address potential shortfalls in revenue budgets of circa £250k per annum identified in the 2024-25 to 2028-29 projections prepared last year. The CEO advised that there were three elements, the first being to work with AIFCA to secure additional funding from Defra under the current spending review to replace the £150k workstream based funding, which concludes this year. The second was to consider what efficiency savings might be possible, albeit that might be difficult in a small organisation without the economies of scale that exist in larger organisations, and the third was to consider, with county council colleagues, an uplift in levies.

Draft estimates of expenditure for this financial year (2024-25) against budget and income are summarised under the main budget headings in Table 1. It should be noted that projections are based in part upon Quarter 2 expenditure being doubled to reflect the year, careful analysis of each budget heading and officers informed estimates and a 3% inflationary uplift being applied where considered appropriate. The final column in Table 1 shows the 2025-26 draft budget for expenditure under the main budget headings and anticipated income.

More detailed anticipated expenditure for both 2024-25 and 2025-26 is shown in Table 2.

### **Assumptions**

An amount described as Defra Base Funding (New Burdens Funding) has been included for 2025-26 and in the projections for subsequent years. Whilst future Government spending reviews might re-consider this funding it has long been argued by the IFCAs, and to date accepted by Defra, that the 'New Burdens' were a permanent addition of responsibility and that the funding should continue permanently.

The Defra funding of circa £150k per annum for specific work streams was for three years and the current year is the final year. A bid for continuation, with some variations, of this funding has been submitted to Defra under the current government spending review by the Association of IFCAs and we have been advised that we may get £140k in 2024-25, but this has still to be formally confirmed. This is included in the estimates for 2025-26 but not in the projections for the subsequent four years.

Whilst difficult to predict what local authority cost of living pay awards will be, an uplift of 3% in salary is assumed in the estimates for 2025-26, which aligns with the approach being taken by the three funding authorities.

**Table 1.**

<b>Estimates of Expenditure 2024-2025 and Draft Budget 2025-26</b>			
<b>EXPENDITURE</b>	<b>2024/2025 Budget £</b>	<b>2024/2025 Projection £</b>	<b>2025/2026 Draft Budget £</b>
Salaries & Wages	1,356,370	1,299,773	1,360,520
General Expenditure	288,291	303,412	308,953
Departmental Op Costs	40,500	41,250	21,857
Vessels	140,500	173,290	159,535
Vehicles	45,840	43,440	43,918
Contingency	40,000	0	0
<b>TOTAL</b>	<b>1,911,501</b>	<b>1,861,165</b>	<b>1,894,783</b>
<b>INCOME</b>			
Other income	112,000	137,000	112,506
Levies	1,156,380	1,156,380	1,191,071
Defra core funding	394,145	394,145	394,145
Defra workstream funding	150,000	140,000	140,000
<b>TOTAL</b>	<b>1,812,525</b>	<b>1,827,525</b>	<b>1,837,216</b>
<b>SURPLUS / (SHORTFALL)</b>	<b>(98,976)</b>	<b>(33,640)</b>	<b>(57,061)</b>

## Levies

As agreed with the County Councils' finance representatives, levies have been increased by 3% for 2025/26. The Levies on the constituent County Councils including the 3% increase and asset replacement funding for 2025/2026 are as follows:

	Norfolk County Council	Suffolk County Council	Lincolnshire County Council
	38.5%	28.9%	32.6%
	£	£	£
County Council Levies	458,561	344,220	388,291
Defra Funding (base)	151,999	114,420	127,726
Asset replacement	68,956	51,763	58,390
<b>Total Levy</b>	<b>679,517</b>	<b>510,402</b>	<b>574,407</b>

It should be noted that the asset replacement element of levies is not shown as 'in-year' income in Table 1 as this is, in theory at least, directly ascribed to earmarked reserves.

## Notes on Expenditure and other income

Members may find the notes below helpful in relation to tables 1 and 2. The figures in the 2024-25 projection reflect the anticipated an under or (over) spend and the figures under the 2025-26 draft budget reflect the increase or (decrease) in comparison with this year's budget.

<b>Salaries &amp; Wages</b>	
2024/2025 projection £56,597	2025/26 Draft Budget £ 4,150
Likely underspend due to vacancies being maintained pending outcome of Government spending review and budget.	All posts filled and accounted for with an estimated 3% cost of living pay rise. Includes provision for revisions to the Executive salary structure.

<b>General Expenditure</b>	
2024/2025 Projection (£15,121)	2025/2026 Draft Budget £20,662
Higher expenditure than projected in insurance, legal and professional fees, postage and stationery. Offset by lower than anticipated expenditure in other areas. IT appears to show an underspend but likely due to software subscriptions being moved to 'Subscriptions' but still included in IT budget projection.	3% inflationary increase applied to some budget headings. Change to Subscriptions to separate from Advertising and to include annual subscriptions apart from IT.

<b>Departmental Operational Costs</b>	
2024/2025 Projection (£750)	2025/2026 Draft Budget (£18,643)
Likely underspend in real terms in Marine Science due to some items being covered by specific funding streams.	Some items such as Clue, Skyguard and MCSS payments moved to subscriptions. Reduction in marine Science budget based on this year's projection.

<b>Vessels</b>	
2024/2025 Projection (£32,790)	2025/2026 Draft Budget £19,035
Increased costs associated with introduction of new vessels combined with unanticipated expenditure for maintenance and repairs. May be further negative impact due to ongoing maintenance of <i>RV Three Counties</i> due to the vessel not yet being disposed of.	Introduction of two new vessels means increases in fuel, maintenance and insurances increase partially offset by refit savings following disposal of <i>RV Three Counties</i>

<b>Vehicles</b>	
2024/2025 Projection £2,400	2025/2026 Draft Budget (£1,922)
Appears likely to be within budget	Reflects inflationary costs

<b>Income</b>	
2024/2025 Projection £15,00	2025/2026 Draft Budget £16,718
WFO fees not realised due to expiry of the regulating order and delayed implementation of the new byelaw. This is offset by income generated for specific projects.	Inclusion of permit fees associated with the new Wash Cackle and Mussel Byelaw 2021.

### **Inflation Contingency**

An inflation contingency of £40,000 was included in the 2023/24 and 2024/25 budgets and £20,000 in the 2026/27 estimates provided last year. With inflation rates now lower this contingency has not been included in the 2025/26 budget and has been removed from estimates.

**Table 2.**

**Estimates of Expenditure 2024-2025 and Draft Budget 2025-26**

	<b>2024/2025 Budget</b>	<b>2024/2025 Projection</b>	<b>2025/2026 Draft Budget</b>
<b><u>STAFF COSTS</u></b>			
Salaries	1,027,156	983,868	1,029,040
Pension	231,557	222,514	231,876
Employers NI	97,657	93,392	99,603
<b>TOTAL</b>	<b>1,356,370</b>	<b>1,299,773</b>	<b>1,360,520</b>
<b><u>GENERAL EXPENDITURE</u></b>			
<b><u>Accommodation</u></b>			
Rent	45,524	38,446	38,745
Rates	16,794	16,687	17,188
Electricity	10,500	8,442	10,552
Water	824	703	724
Service charges - office	4,120	5,888	6,065
Cleaning	1,030	2,824	3,000
Maintenance & redecoration	7,725	9,442	5,500
Insurance unit A	1,288	350	361
Insurance office & General	10,886	19,418	20,001
<b>TOTAL</b>	<b>98,691</b>	<b>102,200</b>	<b>102,135</b>
<b><u>General Establishment</u></b>			
Subscriptions	23,000	30,000	46,092
Recruitment	1,000	1,000	1,000
Legal & Professional fees	37,000	46,120	47,504
Telephones	16,000	8,460	12,000
Postage & Stationery	8,700	11,705	8,700
IT Support	37,800	27,706	36,874
Uniforms & Protective Clothing	8,400	12,310	8,652
Medical costs	1,200	1,200	1,236
Sundry costs (inc. meeting costs)	5,000	4,500	4,605
<b>TOTAL</b>	<b>138,100</b>	<b>143,001</b>	<b>166,663</b>
<b><u>Officers Travel &amp; Subsistence</u></b>			
General Travel - Fares, Taxis,			
Mileage	5,000	2,940	3,307
Subsistence Payments	3,000	5,272	5,430
Overnight Subsistence	2,000	1,863	1,919
Hotel – Accommodation & Meals	5,000	12,136	8,000
<b>TOTAL</b>	<b>15,000</b>	<b>22,211</b>	<b>18,656</b>
Members expenses	1,500	1,000	1,500
Training	35,000	35,000	20,000
<b>TOTAL GENERAL EXPENDITURE</b>	<b>288,291</b>	<b>303,412</b>	<b>308,953</b>

**Operational costs**

Media & Adverts	1,000	1,000	1,600
Marine Science	18,000	18,000	10,000
Marine Protection	21,500	22,000	10,007
Wash Fisheries/ lays	0	250	250
<b>TOTAL</b>	<b>40,500</b>	<b>41,250</b>	<b>21,857</b>

**Mooring & Harbour Dues**

Rent - Sutton Bridge Moorings	0	0	0
Maintenance	500	500	500
Berthing & Harbour Dues	6,000	7,900	9,000
<b>TOTAL</b>	<b>6,500</b>	<b>8,400</b>	<b>9,500</b>

**Research / Enforcement Vessels****Three Counties / Protector IV / Thunderstruck**

Maintenance & Repairs	10,000	25,390	22,145
Refit	12,000	10,000	10,000
Insurance & Certification (all Vessels)	42,000	47,000	48,410
Fuel (all vessels)	40,000	50,000	51,500
<b>TOTAL</b>	<b>104,000</b>	<b>132,390</b>	<b>132,055</b>

**RIBS - Sebastian Terelinck / Seaspray / C-Runner**

Maintenance & Repairs	<b>TOTAL</b>	30,000	32,500	<b>17,980</b>
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<b>VESSELS TOTAL</b>	<b>TOTAL</b>	<b>140,500</b>	<b>173,290</b>	<b>159,535</b>
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**Vehicles**

Insurance & Road Fund Tax	16,000	13,699	13,699
Fuel & Sundries	23,000	23,000	23,000
Repairs & Servicing	4,500	4,500	4,500
Vehicle tracking	2,340	2,719	2,719

<b>TOTAL VEHICLES</b>	<b>45,840</b>	<b>43,440</b>	<b>43,918</b>
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Contingency	40,000	0	0
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<b><u>EXPENDITURE TOTAL</u></b>	<b>1,911,501</b>	<b>1,861,165</b>	<b>1,894,783</b>
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## **Reserves**

Expenditure on new vessels has reduced the levels of reserves but this is partly offset by funding from Defra for *FPV Thunderstruck* which although approved in principle has not yet been paid but shows in accounts as an accrual. Overall reserves are healthy but with unanticipated costs for repair and maintenance of vessels and potential shortfalls in revenue budgets projected they may reduce over time. In theory the annual asset replacement contributions from the three funding Authorities should help but revenue budget shortfalls are having a negative impact in this regard. The amounts held in EIFCA's ear-marked reserves are based upon the figures shown in the 2024-year end accounts.

	£
IT Fund	10,000
FAP Fund	22,500
Legal and Enforcement Fund	75,000
Office Improvement Fund	10,000
Operational Fund*	250,000
Science Fund	62,251
Vehicle Renewals	60,000
Vessel Replacement Fund	1,287,553
Wash Fishery Order Fund	85,429
Environmental Grants	18,292
<b>TOTAL</b>	<b>1,881,025</b>
<i>IVMS National Fund - held for national projects on behalf of all IFCAs so not available to Eastern IFCA.</i>	221,000

\* Includes £150k to cover liability to Lincolnshire CC for Sutton Bridge moorings.

### **Forecast to March 2030**

The inflationary uplift in levies for 2025-26 is 3% on the previous year. Prior to this the agreement with funding authorities was for a 2% annual inflationary uplift and reversion to this agreement is assumed for the purposes of the projections. Similarly, 2% inflation on all expenditure is assumed. The asset replacement element of the levies assumes the previously agreed 3% uplifts annually and is shown as added to reserves in the forecast for reserves.

### **Forecast income and expenditure to March 2023**

	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
<b><u>Income</u></b>	£	£	£	£	£
Levies	1,191,071	1,214,893	1,239,191	1,263,974	1,289,254
Defra Funding	394,145	394,145	394,145	394,145	394,145
Defra Workstream	140,000				
Other	112,506	112,000	112,000	112,000	112,000
<b>Total Income</b>	<b>1,837,722</b>	<b>1,721,038</b>	<b>1,745,336</b>	<b>1,770,119</b>	<b>1,795,399</b>
<b><u>Expenditure</u></b>					
Staff cost	1,360,520	1,387,730	1,415,485	1,443,795	1,472,671
General Expenditure	308,953	315,132	321,435	327,863	334,421
Operations	21,857	22,294	22,740	23,195	23,659
Vessels	159,535	162,726	165,980	169,300	172,686
Vehicles	43,918	44,796	45,692	46,606	47,538
<b>Total</b>	<b>1,894,783</b>	<b>1,932,679</b>	<b>1,971,332</b>	<b>2,010,759</b>	<b>2,050,974</b>
<b>Surplus/(Shortfall)</b>	<b>(57,061)</b>	<b>(211,641)</b>	<b>(225,997)</b>	<b>(240,639)</b>	<b>(255,575)</b>

### **Forecast movement in reserves to March 2023**

	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>2029/30</b>
	£	£	£	£	£	£
Opening	1,881,025	1,892,301	1,234,349	921,817	597,701	262,194
Revenue	0	0	0	0	0	0
Asset rep	173,892	179,109	184,482	190,016	195,717	201,588
Utilised	(128,976)	(780,000)	(285,373)	(288,135)	(290,585)	(299,303)
Profit/(Loss) after vessels costs	(33,640)	(57,061)	(211,641)	(225,997)	(240,639)	(255,575)
<b>Balance</b>	<b>1,892,301</b>	<b>1,234,349</b>	<b>921,817</b>	<b>597,701</b>	<b>262,194</b>	<b>(91,095)</b>

The forecast for reserves varies from those provided last year because they are based upon the actual outturn for 2023-24 and the projected outturn for 2024-25. Estimated expenditure from reserves includes the following:

- 2024 to 2029 'utilised' includes addressing the projected insufficiency of the revenue budgets and £40k per year on vehicle replacement (likely to be an over-estimate).
- 2025-26 – 'utilised' additionally includes projected replacement of *FPV Sebastian Terelinck*. It is possible that a major refit may be undertaken instead, or a smaller cabin RIB procured with outboard motors, both of which would likely notably reduce expenditure.

The projection does not include revenue from the projected sale of *RV Three Counties* or vehicles.

**Background documents**

Eastern IFCA Constitution and Standing Orders