



**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> August 2025  
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 August 2025

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 6 May 2025  
*pg3*
- 5 Matters Arising - *Clerk*
- 6 Quarter 1 Payments and Receipts – *CEO / Joanne Sams pg9*
- 7 Quarter 1 Management Accounts – *CEO / Joanne Sams pg12*
- 8 Internal audit report – *CEO pg15*
- 9 Budget and levies 2026-27 – *CEO pg32*
- 10 *To resolve that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for item 10 on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 1 of Schedule 12A of the Act.*

### Information Items

- 11 HR Update – *ACO(DD) pg45*
- 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: 21 July 2025

## 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 EIFCA Offices, King's Lynn on 6<sup>th</sup> May 2025 at 1030 hours.

### Members Present:

Cllr T FitzPatrick	Chair	Norfolk County Council
Cllr M Chenery of Horsburgh		Norfolk County Council
Ms I Smith		MMO Appointee

### Eastern IFCA Officers Present:

J Butler	Assistant Chief Officer (DD)
J Gregory	CEO

### FHR25/01 Welcome

The Chair welcomed members to the meeting, and explained Cllr Vigo Di Gallidoro had tendered her resignation due to ill health. In addition to this both Cllrs Coupland and Skinner had not been re-elected following the early May election process.

It was confirmed the meeting was quorate.

### FHR25/02 Apologies for absence

Apologies for absence were received from Cllrs Adams and Back and Mr S Williamson.

### FHR25/03 Declarations of Members Interest

No Declarations of Interest were received.

### FHR25/04 Minutes of the Finance and Personnel Sub-committee meeting held on 4<sup>th</sup> February 2025

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

## **FHR25/05 Matters Arising**

CROMER SHOAL FISHERIES: the CEO advised Members that the quest for external funding to source parts of the research had so far, not proved successful. The Natural Disturbance Study, estimated to cost in excess of £60,000 in this financial year, currently had no external funding. The CEO advised that if external funding was not found then he would be seeking members approval to use Reserves for the estimated £60,000 funding required in the current financial year.

Ms Smith acknowledged this was very important work, and she was aware external funding was being sought, however Ms Smith felt it was important to get the work done and therefore was in favour of using Reserves to fund it. The Chair echoed this sentiment.

The CEO advised the study was intended to run for 2 years so further funding, would continue to be sought.

The Chair questioned whether MPs from Great Yarmouth could be asked to come up with some funding in the future

Members did express concern about the lack of external funding but were supportive of the use of Reserves for this project if no other funding stream was identified.

## **FHR25/06 Quarter 4 Payments and Receipts**

This report provided members with actual expenditure and income during the quarter.

**Members Agreed to Note the report.**

## **FHR25/07 Quarter 4: Management Accounts**

Members were reminded the Management Accounts were reported on an accruals basis, with comparison made to the budget to provide an indication of where the Authority's accounts were against the budget.

There had been a notable overspend on vessels, however, it had previously been agreed to use Reserves to fund the Refit of *FPV Sebastian Terelinck*. Questions were raised regarding General Establishment expenditure and Vessel Insurance. Both were considered to be a general increase in prices.

Ms Smith, noting the two un-recruited posts, believed that some projects related to the Cromer Shoal work had not been progressed due to lack of staff. The CEO did not believe this was necessarily the case and added that even if recruitment were to take place there would be a time delay whilst training etc took place.

The CEO advised that he would be doing a piece of work on the Authority's finances to address predicted shortfalls in budget. It was likely that options would include an increase in levies and reductions in

expenditure, including the potential loss of two vacant posts that had not been filled due to the budgetary situation.

The Chair acknowledged this was a difficult time, particularly with the belief being expressed that Defra should provide more funding to IFCAs.

### **Members Agreed to note the Management Accounts**

#### **FHR25/08     Annual Statement of Account for the year ending March 2025**

In the absence of the Accountant the CEO asked Members if they were happy to consider the Annual Accounts or would prefer to Delegate them to the Chair once he had been able to discuss them with the Authority's accountant.

Members Agreed to go through the accounts and consider the decision once any queries had been raised.

- It was noted Defra funding had been reduced by £10,000 compared to the budgeted expected income, this was an 'in year' reduction.
- £225,000 received in the year was the outstanding grant towards the purchase of *FPV Thunderstruck*.
- Asset Disposal income had been generated through the sale of *RV Three Counties* and one of the Authority's vehicles.
- Salaries showed a saving, which was attributed to two posts being held vacant.
- Members were advised the National IFCA Fund was money being held on behalf of all IFCAs
- It was noted the Operational Reserve included £150,000 which was earmarked to pay for the moorings at Sutton Bridge, once the legal documents were finalised.
- FAP Reserve – it was explained this was money received from Financial Administrative Penalties. Legislation gave no clarity on where this money should go once it was received, consequently it was put into the Reserve until such a time as it was clear what was to be done with it.
- WFO Fund. Historically part of the WFO Licence Fee had to be set aside for the improvement of the fisheries. However, the WFO no longer existed, and the funds could be spent as the Authority saw fit. This fund could be renamed to 'Byelaw Fund' and used for any fishery needs.

Having worked through the Annual Accounts members considered whether or not they were satisfied with the explanations provided.

The Chair expressed that he was happy to accept the accounts but was disappointed the Authority's accountant was absent. Whilst the CEO, in his position as, Responsible Finance Officer had been able to answer all concerns, the Chair felt further clarity could have been given by the specialist taking them through the accounts. The Chair requested the

CEO express his concern the Authority's accountant had not been there to discuss the year-end figures.

**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 finance Regulation 3.4. transfers of funds to and from 'ear-marked' reserves as outlined in the Statement of movement in reserves.**

**Proposed: Ms Smith**

**Seconded: Cllr Chenery**

**All Agreed**

**FHR25/09 External Audit**

The CEO gave a brief background to the paper provided to Members. It was noted there was no legal obligation to have both an Internal and External Audit of the Authority's accounts, but it had previously been agreed to continue with both of these in order to ensure accuracy and probity.

The External Audit provider had advised this was a service they would no longer be providing. Consequently the CEO was bringing it to members attention in order for them to decide whether they wished to continue with an External Audit. The Internal Audit provider had been contacted to enquire if they felt it was in the interest of the Authority to continue with the External Audit despite it no longer being a legal requirement, their response had been that the sub-committee should consider it, but any change in arrangement should be notified in writing to Norfolk Audit.

Members were advised Aston Shaw had advised an independent External Audit could be carried out by them for a fee of circa £150.

**Members Resolved to:**

- **Agree to continue the practice of independent audit of the Annual Return**
- **Agree to delegate authority to the CEO to put in place appropriate arrangements for independent audit of the Annual Return.**

**Proposed: Cllr Chenery**

**Seconded: Ms Smith**

**All Agreed.**

**FHR25/10` Resolution**

**Members Resolved that under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for item 11 on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 1 of Schedule 12A of the Act.**

**Proposed: Chair**

**Seconded: Cllr Chenery**

## **All Agreed**

**HR25/11**

### **HR Update**

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

- There had been no staff changes during the previous quarter. The two outstanding posts remained unrecruited as previously discussed.
- Sickness levels remained low, with only a total of 8 days sickness being recorded in the quarter.
- In response to the Unions Pay Claim for 2025/26 the LGA had responded with an offer of 3.2% on all pay points and s.c.p2 being deleted from 1<sup>st</sup> April 2026. Unions were considering the offer.
- The Health & Safety representative for Norfolk CC had retired and been replaced by another officer who would provide the service to the Authority.
- Annual checks of Driving licences and updated Emergency Contact Forms had been completed. Compliance with DSE requirements for home and office workstations would be addressed in the next quarter.

Cllr Chenery queried whether there had been any incidents of bullying and harassment. Historically there had been concerns some conduct was not appropriate and as a consequence all staff undertook Equality and Diversity training. It was felt any remaining issues were likely due to a lack of awareness rather than malicious behaviour.

The ACO advised the Exec team were always listening to assess regarding incidents and if any raised concerns they would be addressed. Officers were always mindful time spent at sea could cause issues as it was a difficult environment, a small space and a degree of pressure to get work done.

Members were advised a 'Women's Forum' had been established to provide a point of focus and to air any concerns. It was noted approximately one third of the staff were women.

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

**FHR25/12**

### **Any Other Business**

FPV THUNDERSTRUCK ENGINES : Members were made aware of issues being faced with the engines on Thunderstruck, which were ongoing despite the engines being taken back to Southampton for repair. As the repair had been ineffective and new oil leaks had been identified legal advice had been sought on the best way to navigate rejecting the engines and recouping the cost to the Authority.

If the Authority went down the route of rejecting the engines there would be a need to source alternative engines which would have to be petrol

rather than diesel, which also brought problems as refuelling facilities were not available, and the amount of fuel required could not be carried in jerry cans.

It was questioned whether an exemption to the ruling of replacing with petrol engines could be sought. The CEO advised early enquires had suggested this would not be granted, however, the Chair felt it was a question worth asking.

VICE CHAIR: Ms Smith questioned who Vice-Chair of the Authority was. It was noted, as Cllr Skinner had not been re-elected there was no Vice-Chair, until the next meeting of the full Authority.

There being no other matters to discuss the meeting closed at 1212 hours, the Chair thanked members for attending.

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## Action Item 6

### Finance and HR sub-committee meeting.

5 August 2025

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

### **Payments made and monies received during the period 1 April to 30 June 2025 (Quarter 1)**

#### **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 quarter 1 of the financial year 2025-26 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.

Detailed Breakdown of Payments made during the period 1st April to 30th June 2025				
	Month 1	Month 2	Month 3	Total
	£	£	£	£
Transfers to EIFCA Salaries Account	103,000.00	104,000.00	105,000.00	312,000.00
Rent	2558.19	0	0	2,558.19
Rates	5833.8	1248	1248	8,329.80
Electricity	491.19	524.94	303.70	1,319.83
Water	60.22	24.00	103.19	187.41
Service Charges - Office	1,700.85	1,470.75	-	3,171.60
Maintenance & Redecoration - office/Unit A	183.46	126.13	633.39	942.98
Insurance Office/Unit A	-	-	17,723.38	17,723.38
Subscriptions	585.79	642.28	15,814.10	17,042.17
Legal & Professional Fees	466.44	2,418.90	2,024.00	4,909.34
Telephones	900.50	925.07	925.50	2,751.07
Postage & Stationery	97.50	931.53	563.30	1,592.33
IT Support	8.13	26,227.20	240.41	26,475.74
Uniforms & Protective Clothing	(25.59)	325.16	357.24	656.81
Medical Costs	60.00	230.00	-	290.00
Sundry costs (inc meeting costs)	50.63	2,575.78	323.82	2,950.23
Officers Travel & Subsistence	253.66	1,947.72	993.81	3,195.19
Members Expenses	-	-	12.60	12.60
Marine Science	-	182.96	166.30	349.26
Marine Protection	1,250.00	2,605.95	681.00	4,536.95
Wash Fisheries / Lays	-	100.00	15.11	115.11
Moorings & Harbour Dues	20.65	663.08	2,668.73	3,352.46
Three Counties	(196.00)	32.17	-	(163.83)
Thunderstruck	-	2,399.93	6,952.19	9,352.12
Protector IV	2,492.00	2,211.39	959.19	5,662.58
RIBs - ST/SeaSpray/SeaRunner	6.23	4,883.45	986.67	5,876.35
Vessel Fuel	(2,009.26)	3,210.72	3,666.56	4,868.02
Vessel Insurance	-	-	34,296.10	34,296.10
Vehicle Operating Costs	9,673.67	1,270.57	2,008.51	12,952.75
Grant Funded Project	-	416.60	3,157.50	3,574.10
Operational Fund Reserves	-	-	150,000.00	150,000.00
Asset Purchases	20569.5	2432.54	0	23,002.04
<b>VAT Recoverable</b>	5,987.14	10,151.62	6,677.93	22,816.69
<b>TOTAL PAYMENTS MADE</b>	<b>154,018.70</b>	<b>174,178.44</b>	<b>358,502.23</b>	<b>686,699.37</b>
<b>Monies received during the period 1st April to 30th June 2025</b>				
	Month 1	Month 2	Month 3	Total
	£	£	£	£
Levies	458,562.00			458,562.00
Defra Funding (base)	151,999.00			151,999.00
Asset replacement	68,956.00			68,956.00
WCMB Permit	10,142.58	1,120.95	5,709.54	16,973.07
Grants	-	3,000.00	-	3,000.00
Whelk Permits	300.00	250.00	-	550.00
Shrimp Permit	900.00	-	200.00	1,100.00
VAT	-	36,718.73	-	36,718.73
EHO Sampling	4,096.00	-	-	4,096.00
Grants for work in Cromer MCZ	-	(166.35)	-	(166.35)
Bank bonuses/Interest	-	-	6,772.26	6,772.26
Asset Sales	-	5,105.99	-	5,105.99
Miscellaneous	-	85.20	11.81	97.01
<b>TOTAL PAYMENTS RECEIVED</b>	<b>694,955.58</b>	<b>46,114.52</b>	<b>12,693.61</b>	<b>753,763.71</b>

Summary of Payments made during the period 1st April to 30th June 2025				
	Month 1	Month 2	Month 3	Total
	£	£	£	£
Transfers to EIFCA Salaries Account	103000.00	104000.00	105000.00	312000.00
<b>General Accommodation</b>				
Accommodation	8943.40	1796.94	1654.89	12395.23
Insurance	0.00	0.00	17723.38	17723.38
General Establishment	4027.71	35872.80	20881.76	60782.27
Members Expenses	0.00	0.00	12.60	12.60
Officers Expenses	253.66	1947.72	993.81	3195.19
Training	0.00	0.00	0.00	0.00
Media and Adverts	0.00	0.00	0.00	0.00
<b>Total General Expenditure</b>	<b>13224.77</b>	<b>39617.46</b>	<b>41266.44</b>	<b>94108.67</b>
<b>Operational Costs</b>				
Marine Protection	1250.00	2605.95	681.00	4536.95
Marine Science	0.00	182.96	166.30	349.26
Lays	0.00	100.00	15.11	115.11
<b>Total operational costs</b>	<b>1250.00</b>	<b>2888.91</b>	<b>862.41</b>	<b>5001.32</b>
<b>Vessels</b>				0.00
Three Counties	-196.00	32.17	0.00	-163.83
Protector IV- Running Costs	2492.00	2211.39	959.19	5662.58
thunderstruck - running costs	0.00	2399.93	6952.19	9352.12
Sea Spray Expenditure	0.00	1950.73	404.13	2354.86
C-Runner - running costs	0.00	141.91	30.48	172.39
Sebastian Terrelinck - running costs	6.23	2790.81	552.06	3349.10
<b>sub total</b>	<b>2302.23</b>	<b>9526.94</b>	<b>8898.05</b>	<b>20727.22</b>
Fuel - all vessels	-2009.26	3210.72	3666.56	4868.02
Moorings & Harbour dues	20.65	663.08	2668.73	3352.46
Insurance	0.00	0.00	34296.10	34296.10
<b>Total Vessels</b>	<b>313.62</b>	<b>13400.74</b>	<b>49529.44</b>	<b>63243.80</b>
<b>Grant Funded Project</b>	<b>0.00</b>	<b>416.60</b>	<b>3157.50</b>	<b>3574.10</b>
<b>Vehicles</b>	<b>9673.67</b>	<b>1270.57</b>	<b>2008.51</b>	<b>12952.75</b>
<b>Asset Purchases</b>	<b>20569.50</b>	<b>2432.54</b>	<b>0.00</b>	<b>23002.04</b>
<b>Operational Fund Reserve</b>	<b>0.00</b>	<b>0.00</b>	<b>150000.00</b>	<b>150000.00</b>
<b>VAT Recoverage</b>	<b>5987.14</b>	<b>10151.62</b>	<b>6677.93</b>	<b>22816.69</b>
<b>Total Payments Made</b>	<b>154018.70</b>	<b>174178.44</b>	<b>358502.23</b>	<b>686699.37</b>
<b>Monies received during the period 1st April to 30th June 2025</b>				
	Month 1	Month 2	Month 3	Total
	£	£	£	£
Levies	458562.00			458562.00
Defra Funding (Base)	151999.00			151999.00
Asset Rep;acement	68956.00			68956.00
Whelk Permits	300.00	250.00	0.00	550.00
Shrimp Permits	900.00	0.00	200.00	1100.00
WCMB Permits	10142.58	1120.95	5709.54	16973.07
EHO Income	4096.00			4096.00
Bank Bouns & Interest	0.00	0.00	6772.26	6772.26
Grants	0.00	3000.00	0.00	3000.00
Grants for work in Cromer MCZ	0.00	-166.35	0.00	-166.35
Miscellaneous	0.00	85.20	11.81	97.01
Asset Sales		5105.99		5105.99
VAT	0.00	36718.73	0.00	36718.73
<b>TOTAL Payments Received</b>	<b>694955.58</b>	<b>46114.52</b>	<b>12693.61</b>	<b>753763.71</b>

### **Vision**

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### **Action Item 7**

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

5 August 2025

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

### **Report on the Management Accounts during the period 1 April to 30 June 2025 (Quarter 1)**

#### **Purpose of report**

To provide first 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 2025-26 are shown in the following tables.

#### **Background documents**

There are no background documents to this paper.

Management Accounts				
For the 3 months ended 30 June 2025				
Account	Apr-Jun 2025	Variance	Budget 25/26 Qtr 1	Budget 25/27 For year
<b>Salaries &amp; Wages</b>				
Wages	£ 230,193.24	£ 27,065.76	£ 257,259.00	£ 1,029,040.18
Employers Pension	£ 50,853.87	£ 7,115.13	£ 57,969.00	£ 231,876.07
Employers NIC	£ 30,189.84	£ (5,289.84)	£ 24,900.00	£ 99,603.25
	<b>£ 311,236.95</b>	<b>£ (28,891.05)</b>	<b>£ 340,128.00</b>	<b>£ 1,360,519.50</b>
<b>General Expenditure</b>				
Accommodation	£ 9,243.99	£ 11,199.51	£ 20,443.50	£ 81,774.00
Insurance	£ 4,644.61	£ 445.64	£ 5,090.25	£ 20,361.00
General Establishment	£ 35,728.14	£ 5,937.61	£ 41,665.75	£ 166,663.00
Members Expenses	£ 12.60	£ 362.40	£ 375.00	£ 1,500.00
Officers' Expenses	£ 3,195.19	£ 1,468.78	£ 4,663.97	£ 18,655.88
Training	£ -	£ 5,000.00	£ 5,000.00	£ 20,000.00
<b>Total General Expenditure</b>	<b>£ 52,824.53</b>	<b>£ 24,413.94</b>	<b>£ 77,238.47</b>	<b>£ 308,953.88</b>
<b>Operational Costs</b>				
Media & Adverts	£ -	£ 400.00	£ 400.00	£ 1,600.00
Enforcement	£ 4,548.74	£ (2,048.74)	£ 2,500.00	£ 10,000.00
Marine Science	£ 525.69	£ 1,976.06	£ 2,501.75	£ 10,007.00
Wash Fisheries / Lays		£ 62.50	£ 62.50	£ 250.00
<b>Total Operational Costs</b>	<b>£ 5,074.43</b>	<b>£ 389.82</b>	<b>£ 5,464.25</b>	<b>£ 21,857.00</b>
<b>Grant Funded Projects</b>				
Grant Funded Project	£ -	£ -	£ -	£ -
<b>Vessels</b>				
Three Counties	£ 32.17	£ (32.17)	£ -	£ -
Protector 4	£ 9,057.95	£ (2,952.95)	£ 6,105.00	£ 24,420.00
Thunderstruck	£ 10,849.00	£ (8,917.75)	£ 1,931.25	£ 7,725.00
Sea Spray	£ 2,438.00	£ (1,408.00)	£ 1,030.00	£ 4,120.00
C-runner	£ 172.39	£ 202.61	£ 375.00	£ 1,500.00
Sebastian Terrelink	£ 3,519.35	£ (429.35)	£ 3,090.00	£ 12,360.00
<b>sub-total</b>	<b>£ 26,068.86</b>	<b>£ (13,537.61)</b>	<b>£ 12,531.25</b>	<b>£ 50,125.00</b>
<b>Moorings/Harbour dues</b>	<b>£ 3,592.79</b>	<b>£ (1,217.79)</b>	<b>£ 2,375.00</b>	<b>£ 9,500.00</b>
<b>Vessels Fuel</b>	<b>£ 8,337.22</b>	<b>£ 3,765.28</b>	<b>£ 12,102.50</b>	<b>£ 48,410.00</b>
<b>Vessel insurance</b>	<b>£ 8,202.80</b>	<b>£ 4,672.20</b>	<b>£ 12,875.00</b>	<b>£ 51,500.00</b>
<b>Total Vessels</b>	<b>£ 46,201.67</b>	<b>£ (6,317.92)</b>	<b>£ 39,883.75</b>	<b>£ 159,535.00</b>
<b>Vehicles</b>				
Vehicle Operating Costs	£ 6,976.58	£ 4,002.97	£ 10,979.55	£ 43,918.20
<b>TOTAL EXPENDITURE</b>	<b>£ 422,314.16</b>	<b>£ 51,381.73</b>	<b>£ 473,695.90</b>	<b>£ 1,894,783.58</b>

<b>INCOME</b>				
Levies	£ 458,561.00	£ (160,793.25)	£ 297,767.75	£ 1,191,071.00
Defra Funding (base)	£ 151,999.00	£ (53,462.75)	£ 98,536.25	£ 394,145.00
Defra Workstream Funding			£ 35,000.00	£ 140,000.00
<b>Total Income</b>	<b>£ 610,560.00</b>	<b>£ (179,256.00)</b>	<b>£ 431,304.00</b>	<b>£ 1,725,216.00</b>
<b>Other income</b>				
Whelk Permits	£ 50.00			£ 2,150.00
Shrimp Permit	£ 100.00			£ 2,400.00
Wash Cockle Mussel Byelaw	£ 10,721.67			£ 69,000.00
EHO Income	£ -			£ 9,472.00
Lays	£ (115.11)			£ -
Bank Bonus & Interest	£ 6,772.26			£ 9,484.00
Grants	£ 3,000.00			£ 20,000.00
Grants for work in Cromer MCZ	£ (166.35)			£ -
Cromer MCZ NDStudy	£ (3,574.10)			£ -
Defra Core Funding	£ -			£ -
<b>Total Other income</b>	<b>£ 16,788.37</b>	<b>£ 11,338.13</b>	<b>£ 28,126.50</b>	<b>£ 112,506.00</b>
<b>TOTAL INCOME</b>	<b>£ 627,348.37</b>	<b>£ (167,917.87)</b>	<b>£ 459,430.50</b>	<b>£ 1,837,722.00</b>
<b>Asset Purchases</b>				
Protector IV	£ -			
Thunderstruck - Potting Vessel	£ 2,432.54			
C-Fury - PIV daughter vessel	£ -			
Vehicle Purchases	£ 20,569.50			
<b>TOTAL Asset Purchases</b>	<b>£ 23,002.04</b>			
<b>Asset Replacement Income</b>	<b>£ 68,956.00</b>	<b>£ (24,178.75)</b>	<b>£ 44,777.25</b>	<b>£ 179,109.00</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 8**

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

05 August 2025

#### **Internal Audit Report**

**Report by:** J. Gregory, CEO

#### **Purpose of Report**

To advise members of the outcome of the internal audit.

#### **Recommendations**

It is recommended that members:

**Note** the content of the paper.

#### **Background**

Although it is no longer a statutory requirement for the Authority to engage auditors the Authority has continued with both internal and external audits as the scrutiny provided is beneficial in ensuring probity and is worth the modest cost.

The annual internal audit is ordinarily performed by Norfolk Audit Services and focusses on systems, procedures and controls and highlight areas for improvement. The external audit simply verifies the accuracy of the Annual Return, and this service has previously been provided by PKF Littlejohn LLP.

At its meeting of 4 February 2025 the Finance & HR sub-committee approved the appointment of Norfolk Audit Services to undertake the internal audit work for the financial year ended 31 March 2025 and to provide an annual internal audit report for the year 2024/25. At the same meeting the sub-committee also approved the appointment of PKF Littlejohn to audit the Annual Return.

In late March 2025 PFK Littlejohn advised officers that they no longer offer the service they have previously provided to the Authority. At its meeting of 6 May 2025 the Finance & HR sub-committee agreed to continue the practice of independent audit of the Annual Return and to delegate authority to the CEO to put in place appropriate arrangements for independent audit of the Annual Return.

**Report**

The internal audit was completed in June 2025, and the report can be found at Appendix A.

The Annual Return has also been provided (copy at Appendix B), and the independent review (external audit) will be undertaken by the Authority's accountants, Aston Shaw.

**Financial Implications**

The costs associated with both audits will be absorbed in the annual revenue budget. .

**Legal Implications**

None identified.

**Appendices**

Appendix A - Annual Internal Audit Report 2024/25

Appendix B – Annual Return

**Background Documents**

Papers and minutes of the meeting of the Finance & HR sub-committee held on 4 February 2025.

Papers and minutes of the meeting of the Finance & HR sub-committee held on 6 May 2025.

## APPENDIX A



Julian Gregory  
Chief Executive Officer  
Eastern Inshore Fisheries and Conservation Authority  
6 North Lynn Business Village  
Bergen Way, Kings Lynn  
PE30 2JG  
**Sent by email**

Norfolk Audit Services  
Finance Directorate  
County Hall  
Martineau Lane  
Norwich  
Norfolk  
NR1 2DW

**Please ask for:** Heidi Lean  
**Direct Dialling Number:** 01603 224349  
**Email:** Heidi.Lean@norfolk.gov.uk

30 June 2025

Dear Mr Gregory,

### **Annual Internal Audit Report 2024/25**

The Joint Committee for the Eastern Inshore Fisheries and Conservation Authority (EIFCA) appointed Norfolk Audit Services to undertake the internal audit work for the financial year ended 31 March 2025 and to provide an annual internal audit report for the year 2024/25 in accordance with our letter of engagement, signed on 14<sup>th</sup> March 2025.

We have now completed our work and, based on the findings in the areas examined, the table in Appendix A details our conclusions on whether, in all significant respects, the internal control objectives detailed in the 'Annual Internal Audit Report 2024/25' section (Page 5) of the AGAR were being achieved throughout the financial year to a standard adequate to meet the needs of this authority. Our conclusions were based on the examination of a sample of transactions in relation to each internal control objective.

Where we have concluded that the answer is 'No', we have included details to support our conclusion and have made recommendations for your agreement to implementation to achieve the internal control objective. There are also some sections where we have answered 'Yes'; as the audit finding was not significant, however actions have been identified to strengthen the area, and these have been detailed in the table in Appendix A.

I would like to thank all concerned for their assistance and co-operation during this audit, and in particular the Head of Operations and the Senior Admin Officer.

A copy of this letter and Appendix A should be provided to your external auditors.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Heidi Lean'.

**Heidi Lean**  
**Internal Audit Manager Norfolk**  
**Audit Services**

Cc: Jon Butler (Deputy Chief Officer)  
Jodi Hammond (Senior Admin Officer)

## Annual Internal Audit Report 2024-25

Internal control objectives	Yes, No or Not Covered	Exceptions found and recommendations made (CEO = Chief Executive Officer, SAO = Senior Admin Officer, RFO = Responsible Finance Officer)
A. Appropriate accounting records have been properly kept throughout the year.	No	Due to the issues detailed in the sections below: <ul style="list-style-type: none"> <li>Incomplete Asset Register (H)</li> </ul>
B. The Joint Committee's complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.	Yes	No issues identified.
C. The Joint Committee assessed the significant risks to achieving its objectives and reviewed the adequacy of	Yes	No issues identified.

Internal control objectives	Yes, No or Not Covered	Exceptions found and recommendations made (CEO = Chief Executive Officer, SAO = Senior Admin Officer, RFO = Responsible Finance Officer)
arrangements to manage these.		
<p>D.</p> <p>The annual taxation or levy or funding requirements resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</p>	Yes	No issues identified.
<p>E.</p> <p>Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.</p>	No	<p><b>Relevant Finance Regulation: -</b></p> <p><b>9.1 The collection of all sums due to the Authority for work done, services rendered, or goods supplied shall be the responsibility of, and under the supervision, of the RFO.</b></p> <p><b>Finding: -</b></p> <p>The process for outstanding debtors is inadequate in respect of a sample of two invoices.</p> <ul style="list-style-type: none"> <li>- The lay rent totalling £303.80 was originally invoiced in May 2022, reminded for in May 2024 and paid in July 2024.</li> <li>- The Shrimp permits invoiced to Lynn Shellfish limited totalling £1000, was raised in February 2025 and paid in April 2025. The RFO was</li> </ul>

Internal control objectives	Yes, No or Not Covered	Exceptions found and recommendations made (CEO = Chief Executive Officer, SAO = Senior Admin Officer, RFO = Responsible Finance Officer)
		<p>unable to provide evidence to confirm a reminder had been sent regarding the debt.</p> <p><b>Risks: -</b></p> <ul style="list-style-type: none"> <li>• Income due to the Authority is not received, affecting cashflow and the financial outturn position if significant.</li> <li>• There is a risk that bad debts are not adequately being monitored and chased up, resulting in a loss and or delay in income being received.</li> </ul> <p><b>Recommendation: -</b></p> <p><b>1. Outstanding debts should be regularly monitored and proactively pursued. Documentation of all payment reminders should be retained and filed with the corresponding invoice.</b></p>
<p>F.</p> <p>Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.</p>	<p><b>Yes</b></p>	<p>No issues identified.</p>
<p>G</p>	<p><b>Yes</b></p>	<p>No issues identified.</p>

Internal control objectives	Yes, No or Not Covered	Exceptions found and recommendations made (CEO = Chief Executive Officer, SAO = Senior Admin Officer, RFO = Responsible Finance Officer)
Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.		
H.  Asset and investments registers were complete and accurate and properly maintained.	<b>No</b>	<p><b>Relevant Finance Regulations: -</b></p> <p>FR 13.1 - A record is maintained of all assets owned by the Authority, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held.</p> <p>FR 5.1 - The Authority's banking arrangements shall be made by the RFO and approved by the Finance &amp; HR sub-committee. A Current Account shall be maintained at the bank, to cover general expenses and a Salary &amp; Wages Account to cover payroll. In addition to these the RFO is authorised to operate such bank accounts he/she may consider necessary in order to optimise income from interest bearing accounts.</p> <p>4.3 The RFO shall be responsible for maintaining an adequate and effective system of internal audit of the Authority's accounting, financial and other operations in accordance with Regulation No.6 of the Accounts and Audit Regulations 2015.</p> <p><b>Finding: -</b></p>

Internal control objectives	Yes, No or Not Covered	Exceptions found and recommendations made (CEO = Chief Executive Officer, SAO = Senior Admin Officer, RFO = Responsible Finance Officer)
		<p>A review of the Asset Register concluded: -</p> <ul style="list-style-type: none"> <li>The information regarding recording the location, extent, plan, reference, tenancies granted, rents payable and purpose for which held could not be located. This has been raised in previous years audits</li> </ul> <p><b>Risks: -</b></p> <ul style="list-style-type: none"> <li>Accounting records may be incorrect.</li> <li>Non-compliance with the Authority's Financial Regulations.</li> </ul> <p><b>Recommendation: -</b></p> <p><b>1. The CEO ensures that all required Asset Register details, as documented in FR 13.1, should be recorded in the Asset Register.</b></p>
<p>I. Periodic bank account reconciliations were properly carried out during the year.</p>	<p>Yes</p>	<p>Bank reconciliations are currently not signed by the Senior Admin Officer (SAO) although they are dated. It is best practice that all reconciliations are signed as assurance of who has completed the checks.</p>
<p>J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and</p>	<p>Yes</p>	<p>No issues identified.</p>

Internal control objectives	Yes, No or Not Covered	Exceptions found and recommendations made (CEO = Chief Executive Officer, SAO = Senior Admin Officer, RFO = Responsible Finance Officer)
expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.		

## Joint Committees

### Annual return for the financial year ended 31 March 2025

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The annual return on pages 2 to 5 is made up of four sections:

- **Sections 1 and 2** are completed by the person nominated by the Joint Committee.
- **Section 3** is completed by Aston Shaw Limited as the reviewer appointed by the Joint Committee.
- **Section 4** is completed by the Joint Committee's internal audit provider.

#### Completing your annual return

Guidance notes, including a completion checklist, are provided on page 6 and at relevant points in the annual return.

Complete all sections highlighted in blue. Do not leave any blue box blank. Incomplete or incorrect returns require additional work and so may incur additional costs.

Send the annual return, together with your bank reconciliation as at 31 March 2025, an explanation of any significant year on year variances in the accounting statements and any additional information requested, to us by the due date.

We will identify and ask for any additional documents needed for our work. Therefore, unless requested, do not send any original financial records.

Once we have completed our work, certified annual returns will be returned to the Joint Committee.



## Section 1 – Annual governance statement 2024/25

We acknowledge as the members of

Enter name of  
reporting joint committee

EASTERN INSHORE FISHERIES AND CONSERVATION AUTHORITY

our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2025, that:

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

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

MINUTE REFERENCE

dated DD/MM/YYYY

Signed by:

Chair SIGNATURE REQUIRED

dated DD/MM/YYYY

Signed by:

Clerk SIGNATURE REQUIRED

dated DD/MM/YYYY

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

## Section 2 – Accounting statements 2024/25 for:

Enter name of reporting joint committee here:

EASTERN INSHORE FISHERIES AND CONSERVATION AUTHORITY

	Year ending		Notes and guidance Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.
	31 March 2024 £	31 March 2025 £	
1 Balances brought forward	1,927,034	1,791,025	Total balances and reserves at the beginning of the year as recorded in the joint committee's financial records. Value must agree to Box 7 of previous year.
2 (+) Income from local taxation and/or levy	1,685,677	1,724,418	Total amount of local tax and/or levy received or receivable in the year including funding from a sponsoring joint committee. Excluding any grants received.
3 (+) Total other receipts	564,108	674,633	Total income or receipts as recorded in the cashbook less the taxation and/or levy (line 2). Include any grants received here.
4 (-) Staff costs	1,196,266	1,233,539	Total expenditure or payments made to and on behalf of all employees. Include salaries and wages, PAYE and NI (employees and employers), pension contributions and employment expenses.
5 (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the joint committee's borrowings (if any).
6 (-) All other payments	1,189,528	991,972	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7 (=) Balances carried forward	1,791,025	1,964,565	Total balances and reserves at the end of the year. Must equal (1+2+3) – (4+5+6)
8 Total cash and short term investments	1,671,958	2,263,161	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>to agree with bank reconciliation.</b>
9 Total fixed assets plus other long term investments and assets	2,419,780	1,889,708	The original Asset and Investment Register value of all fixed assets, plus other long term assets owned by the joint committee as at 31 March
10 Total borrowings	221,000	221,000	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

I certify that for the year ended 31 March 2025 the accounting statements in this annual return present fairly the financial position of the Joint Committee and its income and expenditure, or properly present receipts and payments, as the case may be.

Signed by Responsible Financial Officer:

SIGNATURE REQUIRED

Date DD/MM/YYYY

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

DD/MM/YYYY

and recorded as minute reference:

MINUTE REFERENCE

Signed by Chair of meeting approving these accounting statements:

SIGNATURE REQUIRED

Date DD/MM/YYYY

Section 3 – Review report 2024/25 Certificate

We present the findings from our review of the annual return for the year ended 31 March 2025 in respect of:

Enter name of reporting joint committee here:

EASTERN INSHORE FISHERIES AND CONSERVATION AUTHORITY

Respective responsibilities of the Joint Committee and the reviewer

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

- summarises the accounting records for the year ended 31 March 2025; and
- confirms and provides assurance on various governance matters in accordance with generally accepted good practice.

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

Report

Matters arising from our review

(continue on a separate sheet if required)

Reviewer signature

Reviewer

Aston Shaw Limited

Date

## Section 4

### EASTERN INSHORE FISHERIES AND CONSERVATION AUTHORITY

Enter name of reporting  
joint committee here:

EASTERN INSHORE FISHERIES AND CONSERVATION AUTHORITY

The Joint Committee's internal audit service provider, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2025.

Internal audit has been carried out in accordance with the Joint Committee's needs and planned coverage.

On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Joint Committee.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered
A. Appropriate accounting records have been kept properly throughout the year.		✓	
B. The Joint Committee's financial regulations have been met, payments were approved and VAT was appropriately accounted for.	✓		
C. The Joint Committee assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The annual taxation or levy or funding requirements resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.		✓	
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with the joint committee approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.		✓	
I. Periodic and year-end bank account reconciliations were properly carried out.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, were supported by an adequate audit trail from underlying records, and, where appropriate, debtors and creditors were properly recorded.	✓		

For any other risk areas identified by the Joint Committee (list any other risk areas below or on separate sheets if needed) adequate controls existed:

Please see the Management Letter for detail

Name of person who carried out the internal audit:

Heidi LeanME

Signature of person who carried out the internal audit:

SIGNATURE REQUIRED Heidi Lean

Date:

30/06/2025

\*Note: If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

\*\*Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, internal audit must explain why not (add separate sheets if needed).

## Guidance notes on completing the 2024/25 annual return

1. Make sure that your annual return is complete (i.e. no empty blue boxes), and is properly signed and dated. Avoid making any amendments to the completed return. But, if this is unavoidable, make sure the amendments are drawn to the attention of and approved by the joint committee, properly initialled and an explanation provided to us. Annual returns containing unapproved or unexplained amendments will be returned and may incur additional costs.
2. Use the checklist provided below. Use a second pair of eyes, perhaps a member or the Chair, to review your annual return for completeness before sending it to us.
3. Do not send us any information not specifically asked for. Doing so is not helpful. However, you must notify us of any change of Clerk, Responsible Financial Officer or Chair.
4. Make sure that the copy of the bank reconciliation which you send with the annual return covers all your bank accounts. If the joint committee holds any short-term investments, note their value on the bank reconciliation. We must be able to agree your bank reconciliation to Box 8 on the Accounting statements. You must provide an explanation for any difference between Box 7 and Box 8.
5. Explain fully significant variances in the accounting statements on page 3. Do not just send in a copy of your detailed accounting records instead of this explanation. We want to know that you understand the reasons for all variances. Include a complete analysis to support your explanation.
6. If we have to review unsolicited information, or receive an incomplete bank reconciliation, or you do not fully explain variances, this may incur additional costs for which we will make a charge.
7. Make sure that your accounting statements add up and the balance carried forward from the previous year (Box 7 of 2024) equals the balance brought forward in the current year (Box 1 of 2025).
8. Do not complete section 3. We will complete it at the conclusion of our work.

Completion checklist – 'No' answers mean you may not have met requirements		Done?
All sections	All blue boxes have been completed?	
	All information requested has been sent with this annual return?	
Section 1	For any statement to which the response is 'no', an explanation is provided?	
Section 2	Approval by the joint committee confirmed by signature of Chair of meeting approving the accounting statements?	
	An explanation of significant variations from last year to this year is provided?	
	Bank reconciliation as at 31 March 2025 agrees to Box 8?	
	An explanation of any difference between Box 7 and Box 8 is provided?	
Section 4	All blue boxes completed by internal audit and explanations provided?	

#### **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**

05 August 2025

#### **Budget and Levies 2026-27**

**Report by:** J. Gregory, CEO

#### **Purpose of Report**

To advise members of the projected budgetary situation for the next financial year (2026-27) and to seek agreement on a direction of travel to address a projected shortfall in anticipation of firm proposals and a draft budget and levies being considered at the November 2025 meeting of the sub-committee.

#### **Recommendations**

It is recommended that members:

**Note** the content of the report.

**Agree** that the principles of option 2 are applied in preparing the budget and levies for 2026-27 for consideration at the November 2025 meeting of the sub-committee.

#### **Background**

Financial projections produced during the annual budget setting process for 2025-26 (Appendix 1, Table 2 refers) indicate that next year there will be a shortfall of £248k in income over expenditure. This is predicted to rise to £294k by 2029-30. These figures are based upon a 2% inflationary increase on levies each year alongside a 2% inflationary increase on expenditure each year.

Primary funding for the Authority is provided by way of a levy on the Lincolnshire, Norfolk and Suffolk County Councils (funding authorities), which is supplemented by funding from Defra ('new burden' and 'workstream' funding) and some modest income generation (circa 6% of income) from such activities as administering permit schemes, undertaking sampling on behalf of local authorities and seeking external funding for particular projects where possible.

#### **Levies**

The previous Sea Fisheries Committees became IFCAs in 2011 and from the outset Eastern IFCA was asked, by the three funding Authorities, to reduce expenditure by 25% over four years, which was subsequently achieved in two years.

There followed several years of standstill levies until an annual increment of 2% was agreed for 2018-19 and subsequent years. This level of increase remained in place until 2024-25 when inflationary pressures resulted in an increase of 3%, which was less than half of the rate of inflation at the time. The same level of increase was subsequently agreed for the current financial year.

In 2019-20 the funding authorities agreed to a proposal to introduce an additional element to the levies intended to build reserves to address asset replacement (primarily vessels) and thus avoid requests for large one-off contributions in future years. The amount in year 1 was a total of £150k and it was agreed that this would be increased by 3% each year.

### Defra funding

On transition from Sea Fisheries Committees to IFCAs, Defra introduced 'new burdens' funding (referred to as Defra base funding in the table below) to support the additional duties placed upon IFCAs, and the total for Eastern IFCA was £394,145 per annum. It is understood that the amount of funding to each IFCA was determined by a formula developed by Defra who, from inception, reduced the amount to be paid by circa 20%. The funding is paid to each of the three funding authorities who then include it in the total levy paid to Eastern IFCA.

The IFCAs have, via the Association of IFCAs (AIFCA), made representation to Defra to the effect that the additional duties associated with 'new burdens' funding were permanent and that as such the funding should also be permanent. This argument appears to have been accepted to date, and the funding has remained consistent albeit with no inflationary increases.

As 'new burdens' funding was not increased with inflation the AIFCA sought an uplift in the funding and whilst this did not prove successful, Defra did agree to provide workstream based funding that could be linked to specific outputs. Aligned to delivering Marine Protected Area (MPA) management, Fisheries Management Plans (FMP) and supporting permitting, consents and licensing each IFCA was allocated £50k for each workstream and as such received £150k per annum with effect from 2022-23.

The workstream funding was for a three-year period, with last year (2024-25) being the final year, by which time the total had been reduced to £130k. A submission was made by the AIFCA and IFCAs to a government spending review last year and it appears that the £130k will be provided in the current financial year but it is not guaranteed in future years. It has been indicated that if continued the funding relating to FMPs will be allocated on a needs basis as opposed to an even split between IFCAs.

It is relevant to note that Eastern IFCA have not allocated the Defra workstream funding to particular posts or projects but has instead absorbed it into the annual revenue budget and allocated resource as required to undertake activity associated with each workstream. Other IFCAs have used the money to support specific activities or additional posts.

The table below shows primary funding for the Authority for the current financial year.

	<b>Norfolk CC</b>	<b>Suffolk CC</b>	<b>Lincolnshire CC</b>
	38.5%	28.9%	32.6%
	<b>£</b>	<b>£</b>	<b>£</b>
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>

Table 1.

### Financial performance

During the budget setting process for 2024-25 and 2025-26, predictions for the subsequent five years (Appendix 1 refers) have indicated the likelihood of budgetary shortfalls. The most recent, Table 2 in Appendix 1, shows forecasts to 2030 and indicates a shortfall of £248k next year and as much as £294k per annum in 2029-30 in the absence of the Defra workstream funding.

Analysis of the quarter 4 Management Accounts\* for each of the last three financial years' shortfalls or surplus against the projected expenditure at each year end:

- 2022-23 shortfall of £55,724
- 2023-24 shortfall of £9,551
- 2024-25 surplus of £137,004

\*The quarter 4 management accounts have been used as they show the direct correlation between estimated and actual expenditure whereas year end accounts show all financial movement during the year including non-revenue budget items such as asset disposal and replacement.

It is noteworthy that during 2024-25 there was a conscious drive to minimise expenditure wherever possible, and two posts were gapped due to the projected shortfall being £98,976 (see Appendix 1, Table 1). Of the £137k surplus, £127k is attributable to salaries and wages where the majority of the amount underspent was due to the two posts remaining vacant

### Reserves

Careful financial management combined with forward planning for asset replacement, including exploiting opportunities for external funding, means that the Authority's reserves are relatively healthy in the context that three primary vessels are either new (*FPV Protector IV* and *FPV Thunderstruck*) or have been refitted (*FPV Sebastian Terelinck*). As at year end 2024-25 the balance was £2m (Appendix 2 refers), albeit £150k of that will shortly be paid in relation to the moorings at Sutton Bridge.

### Budget setting process

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 (usually considered at the November meeting of the sub-committee) on the precept to be levied for the following financial year. Final approval of the proposed budget and levies lies with the December meeting of the full Authority.

In advance of this the Executive team meets with representatives of the Finance Directors from each of the three funding authorities to discuss budget setting and to seek consensus on what the levies for the forthcoming year should be. At the last meeting officers highlighted the projected shortfalls in budget and advised that a higher increase in levies may be sought this year. In response officers were advised that demonstrating prudent financial management and potentially some efficiency

savings would help them in considering such a request. It was acknowledged that officers had consistently demonstrated prudent financial management at the annual meetings and that in a small organisation reductions in expenditure would be challenging.

## **Report**

In considering how to address the projected shortfall in income there are three primary means of achieving this:

- To reduce expenditure.
- To achieve greater income generation.
- To increase levies.

The three are not mutually exclusive, and a combination of two or more may be appropriate. To inform considerations each is considered in turn and for the purpose of this paper the estimated expenditure (£1,932,679) and associated shortfall (£248,272) for 2026-27 set out in the forecast to March 2030 (Appendix 1, Table 2) are used. It should be noted that these are estimates as opposed to being precise figures but can be regarded as illustrative in the context of considering the way forward. It is also relevant to note that current predictions for inflation are that it is likely to increase as the year progresses and may reach 3.75% during the winter. As an illustration applying a 4% inflationary uplift on all budget expenditure whilst retaining the 2% uplift in levies would see the projected deficit increase to £275k.

### **Reduction in Expenditure**

To address the estimated shortfall solely by reducing expenditure would require a saving of circa 12.6% on the estimated budget for 2026-27.

It is suggested that there are two obvious approaches to achieving reduced expenditure, which are a percentage reduction on all or a sub-set of budget headings (so called 'salami slicing') or to identify where notable savings can be made within particular budget headings.

Analysis of the Authority's budget identifies that circa 72% of all annual expenditure relates to staff costs with other expenditure being spread across a range of budget headings that enable the Authority to function. In effect, this restricts the options available for making savings as 'salami slicing' would be unlikely to be effective given that some budget heads contain fixed costs and others would likely reduce operational activity such as vessel deployments with consequential impact upon Business Plan priorities and business critical workstreams.

The obvious area that may yield savings is to reduce the number of employees. In considering this it is relevant to note that Eastern IFCA is a small organisation with a relatively large and complex remit and is required to work on both land and at sea, which adds further complexity to resource and asset requirements. The staff structure can be found at Appendix 2.

In considering a reduction in headcount it is relevant to note that two grade 5 posts (one IFCO and one MSO) have been held vacant for over a year.

With regard to the MSO post, it is judged that whilst workloads are high and there have been delays in progressing some priorities this has not been as a consequence of the vacant grade 5 MSO post. If anything, enhanced capability at the grade 6

MSO level is more likely to be productive in terms of coordinating and moving workstreams forward and involves existing staff development and ultimate progression as posts can be upgraded from grade 5 to grade 6 to reflect additional responsibilities. There are 6 MSOs on establishment with five posts currently filled.

The situation with the vacant IFCO post is different because, whilst it has been managed to an extent, the dual role of the officers as warranted enforcement officers and vessel crew has meant that there have been resourcing challenges, albeit this has also been affected by the base location of officers. In particular, there has been the risk that unusual abstraction levels (e.g. through long term absence or another post becoming vacant) may make it difficult to get vessels to sea with the consequential impact upon Business Plan Priorities and business critical workstreams. There are 7 IFCO posts on establishment with 6 posts primarily filled by full-time officers.

In considering whether there is any scope to reduce managerial posts it is relevant to note that the staff structure is relatively flat (see Appendix 3) with only two grades at IFCO/MSO level and two tiers of management below the CEO. In addition, over time the number of Executive posts has decreased from five to three, with HR and Finance responsibilities being addressed through outsourcing and adding oversight and accountability to other Executive roles. Alongside this the number of first line managers has reduced from five to four and as such there is no scope for reducing the number of management roles.

The remaining area for consideration is the Support Team, which comprises of two officers, one of whom works less than full time, but due to high workloads increased their working hours relatively recently. As such there is not considered to be any scope for a reduction of headcount in this area.

Full employment costs for grade 5 posts are projected to be £46,836 at the bottom of the scale and £50,946 at the top of scale. These figures are based upon current salary with an uplift of 3.2% added as this is the current cost of living increase offered (but not agreed) this year. Actual salary for 2026-27 will be dependent upon the outcome of pay negotiations in both this year and next. As an illustration a further 3% uplift in 2026-27 would make the amounts £48,264 and £52,497 respectively.

Because estimates of expenditure on salaries are done on the basis of actual scale points for staff when considering the annual budget, both of the vacant grade 5 posts would, if recruited to, be at the lower end of the scale so the potential saving would be circa £93,672 if both posts remain vacant.

It is suggested that the grade 5 MSO post could remain vacant or be deleted but that to do the same with the vacant IFCO post may have some impact on service delivery.

### *Increase Income Generation*

In the context of resources being fully utilised to deliver the Authority's core duties any income generation can only be achieved by undertaking activities that are either part of core duties or are supportive or ancillary to them. This is illustrated by the anticipated income for the current financial year set out in the table below.

### Anticipated Income 2025/2026

Source	Amount
Whelk permits	£ 2,150
Shrimp permits	£ 2,400
Wash cockle and mussel permits	£ 69,000
EHO monitoring	£ 9,472
Bank interest	£ 9,484
Grants	£ 20,000
<b>Total</b>	<b>£ 112,506.00</b>

Table 2.

It is suggested that both bank interest and grants are not areas that will yield notable increases in income because they are, to a certain extent, beyond the control of the Authority and in the case of grants are usually time limited and allocated to specific activities.

EHO monitoring is undertaken on behalf of coastal District Councils who are responsible for monitoring shellfish and water samples for the purpose of grading waters in which there are shellfish beds harvested for human consumption. It is some time since the charges associated with this activity have been reviewed and it is intended this will be undertaken this year. Whilst this is likely to result in increased charges the amount is likely to be inconsequential in terms of addressing the projected shortfall.

An area where increased income generation could be considered is for fishing permits with the most notable being Wash cockle and mussel permits. Permit fees have been consciously kept to a minimum, but it could be argued that commercial fishers should pay a greater proportion or even the full costs associated with managing the fisheries where permits are required. In the case of permits under the Wash Cockle and Mussel Byelaw 2021 (WCMB) the Authority decided to set permit fees with the objective of achieving 50% cost recovery based upon prices in 2018. The intention to maintain this policy was stated during the development of the WCMB and the byelaw contains provisions that enable annual increases in fees that are the lower of the Consumer Prices Index or 3.5%. Schedule 1 of the byelaw enables further increases of up to 50% of the existing fee following a prescribed process that includes industry consultation.

In light of the fact that actual cost recovery under the WCMB is likely to be below the intended 50% there is scope for undertaking a review, but it is relevant to note that based upon the anticipated income of £69k this year the maximum increase that could theoretically be achieved would be circa £34,500 given the restriction set out in the WCMB. This amount may be an unlikely outcome given the intention of remaining at 50% cost recovery.

An important factor in considering any increase in permit fees is that the Authority has operated a *de facto* policy of minimising the financial impact of permit schemes on industry as a consequence of the challenges that inshore fishers face in remaining viable in the Authority's district as a consequence of spatial squeeze, limited availability of species and circa 96% of the district having one or more

designations as a Marine Protected Area with the associated restrictions on fishing activity.

It is apparent that there is limited scope for increased income generation but there is some potential to improve cost recovery for EHO sampling and WCMB permit fees. However, this is likely to result in relatively modest increases in income.

### Increase Levies

The projected levies for 2026-27 in the second table in Appendix 1 are a total of £1,214,893, which reflect the previously agreed standard 2% inflationary uplift. It should be noted that this figure is illustrative, as are the associated budget estimates in the same table.

Using the estimated shortfall in budget from the same table (£248,272) if no other changes are made then an overall uplift of circa 23% on total levies (excluding asset replacement) would be required. The table below shows 23% added to the standard levies and the previously agreed 3% added to the asset replacement element of the levies.

	<b>Norfolk CC</b> 38.5% £	<b>Suffolk CC</b> 28.9% £	<b>Lincolnshire CC</b> 32.6% £
Levies 2025-26	458,561	344,220	388,291
Levies 2026-27	564,032	423,390	477,596
Defra Funding (base)	151,999	114,420	127,726
Asset replacement	71,025	53,316	60,142
<b>Total Levy 2026-27</b>	<b>787,056</b>	<b>591,126</b>	<b>665,464</b>

Table 3.

Whilst the headline percentage increase appears significant in the current context of public finances, the cash sums are relatively modest in the context of county council funding. If implemented in full the increases would be £105,471 for Norfolk CC, £79,710 for Suffolk CC and £89,305 for Lincolnshire CC. These figures are illustrative as they are based upon projections as opposed to actual estimates of expenditure that will be undertaken when setting the budget for next year.

### Potential Options

There are a variety of options that may be open to the Authority but for illustrative purposes four are put forward to facilitate discussion.

#### *Option 1 – Do nothing and monitor*

Almost 50% of the projected shortfall is based upon the assumption that Defra workstream funding will not be paid from 2026 onwards. Given the recent reduced settlement for Defra in the recent Government spending review this assumption is not unreasonable but it is still possible that some or all of the funding may be paid.

Under this option an inflationary increase in levies would be proposed, a prudent approach to expenditure would be adopted alongside undertaking work to improve income generation where possible and appropriate. It would be an option to continue to gap one or both of the two vacant posts

The potential funding shortfall would be underwritten by the Authority's reserves, which would potentially be mitigated by the asset replacement element of the levies, which is predicted to total £184,483 in 2026-27.

#### *Option 2 – Staged increase in levies and monitor*

Noting the uncertainty with Defra workstream funding this option would see an increase in levies to address 50% of the projected shortfall. This would mean that the increase in levies would be circa 12% with the potential for a similar increase in subsequent years if the Defra funding is not continued.

As with option 1, deleting or continuing to gap one or both of the two vacant posts would be a consideration as would seeking some improvement in income generation, and the potential funding shortfall would be underwritten by the Authority's reserves, which would potentially be mitigated by the asset replacement element of the levies, which is predicted to total £184,483 in 2026-27.

#### *Option 3 – Combined increase in levies with reduction in headcount*

This option would work on the assumption that the Defra workstream funding will be discontinued from next year onward and would see the deletion of one or both of the current vacant posts.

*Single post reduction* – this would reduce the projected shortfall to circa £200,008k and result in a levy increase of circa 19%.

*Two post reduction* - this would reduce the projected shortfall to circa £151,728k and result in a levy increase of circa 15%.

#### *Option 4 – Full increase in levies*

This option would see the entirety of the projected shortfall addressed by a circa 23% increase in levies as set out in Table 3 above.

### **Conclusion**

The four options set out above are intended to be illustrative to inform consideration and debate.

It is suggested that option 2 may be the most appropriate as it would demonstrate financial prudence on the part of the Authority combined with appropriate use of part of the Authority's reserves. It would also provide time for a clearer picture on the future of Defra funding to emerge and would enable above inflation levy increases to be applied incrementally if required.

### **Financial Implications**

The financial implications of the predicted funding situation and options to address it are set out in the paper.

### **Legal Implications**

None identified.

### **Appendices**

Appendix 1 – December 2023 and December 2024 budget projections

Appendix 2 – Statement of reserves

Appendix 3 – Eastern IFCA staff structure

**Background Documents**

Papers and minutes for agenda item 13 at the 31<sup>st</sup> meeting of the full Authority

Papers and minutes for agenda item 9 at the 54<sup>th</sup> meeting of the full Authority

Papers and minutes for agenda item 8 at the 58<sup>th</sup> meeting of the full Authority

## Appendix 1

Extracts from Authority papers from December 2023 and December 2024 showing estimated budget projections.

### Budget paper for 2024-25

#### Forecast to March 2029

The inflationary uplift in levies for 2024-25 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 projection. Similarly, 2% inflation on all expenditure is assumed based upon current Bank of England projections that their target of 2% inflation will be achieved by the first part of 2025.<sup>1</sup>

**Table 1. Forecast income and expenditure to March 2030**

	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>2028/29</u>
<b><u>Income</u></b>					
Levies	1,156,380	1,191,071	1,226,804	1,263,608	1,301,516
Defra Funding	544,145	394,145	394,145	394,145	394,145
Other	112,000	112,000	112,000	112,000	112,000
Total Income	1,812,525	1,697,216	1,732,949	1,769,753	1,807,661
<b><u>Expenditure</u></b>					
Staff cost	1,356,370	1,383,497	1,411,167	1,439,391	1,468,179
Administration	278,291	283,857	289,534	295,325	301,231
Operations	40,500	41,310	42,136	42,979	43,839
Vessels	140,500	143,310	146,176	149,100	152,082
Vehicles	45,840	46,757	47,692	48,646	49,619
Contingency	40,000	40,800	41,616	42,448	43,297
<b><u>Total</u></b>	1,911,501	1,939,531	1,978,322	2,017,888	2,058,246
Surplus/(Shortfall)	(98,976)	(242,315)	(245,373)	(248,135)	(250,585)

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<sup>1</sup>[When will inflation in the UK come down? | Bank of England](#) 01/11/2023

## Budget paper for 2025-26

### 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.

**Table 2. Forecast income and expenditure to March 2030**

	<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	0	0	0	0
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	1,396,433	1,424,361	1,452,849	1,481,906	1,511,544
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>1,930,696</b>	<b>1,969,310</b>	<b>2,008,696</b>	<b>2,048,870</b>	<b>2,089,847</b>
<b>Surplus/(Shortfall)</b>	<b>(92,973)</b>	<b>(248,272)</b>	<b>(263,360)</b>	<b>(278,750)</b>	<b>(294,448)</b>

## Appendix 2

<b>Statement of movement in reserves</b>				
<b><u>For the year ended</u></b>				
<b><u>31 March 2025</u></b>				
	b/f	used	added	c/f
IT Fund	10,000			10,000
FAP Fund	22,500		250	22,750
Legal and Enforcement Fund	75,000			75,000
Office Improvement Fund	10,000			10,000
Operational Fund	250,000			250,000
Science Fund	62,251			62,251
Vehicle Renewals	60,000			60,000
Vessel Replacement Fund	1,287,553		173,540	1,461,093
Wash Fishery Order Fund	85,429			85,429
Environmental Grants	18,292			18,292
<b>TOTAL</b>	<b>1,881,025</b>	<b>0</b>	<b>173,790</b>	<b>2,054,815</b>
<b>Long Term Liabilities</b>				
<b>National IFCA Fund</b>	<b>221000</b>	<b>0</b>	<b>0</b>	<b>221000</b>

## Appendix 3

### Eastern IFCA Staff Structure



