



**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
6th August 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: 6 August 2024

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 7 May 2024 (pg3)
- 5 Matters Arising - *Clerk*
- 6 Quarter 1 Payments and Receipts – *CEO / Joanne Sams (pg8)*
- 7 Quarter 1 Management Accounts – *CEO / Joanne Sams (pg10)*
- 8 Asset disposal – *DCO (pg13)*
- 9 *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

- 10 Vessel disposal – *DCO (pg16)*
- 11 HR Update – *DCO (pg18)*
- 12 New vessels update (verbal) – *CEO / DCO*
- 13 Any other urgent business

To consider any other items which the Chair is of the opinion are matters of urgency by reason of special circumstances which must be specified.

Julian Gregory
Chief Executive Officer
Date: 22 July 2024

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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 7th May 2024 at 1030 hours.

Members Present:

Cllr M Vigo Di Gallidoro	Vice Chair	Suffolk County Council
Cllr E Back		Suffolk County Council
Cllr P Coupland		Lincolnshire County Council
Ms I Smith		MMO Appointee

Eastern IFCA Officers Present:

J Butler	Deputy Chief Officer
J Gregory	CEO
L Godwin	Assistant Chief Officer

Other Bodies

J Sams	Aston Shaw Accountants
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FHR24/01 Welcome

In the absence of the Chair, Cllr Vigo Di Gallidoro, as Vice-Chair, welcomed members to the meeting.

FHR24/02 Apologies for absence

Apologies for absence were received from Cllrs Adams (NCC), Chenery (NCC), FitzPatrick (NCC), Skinner (LCC) and Mr Williamson (MMO Appointee)

FHR24/03 Declarations of Members Interest.

No Declarations of Interest were received.

FHR24/04 Minutes of the Finance and Personnel Sub-committee meeting held on 6th February 2024

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

FHR24/05 Matters Arising

There were no matters arising that were not addressed in the agenda. It was noted that changes to the structure agreed at the last meeting had been implemented.

FHR24/06 Quarter 4: Payments and Receipts

Whilst there was a notable increase in expenditure for General Establishment, when the expense was analysed, there were no exceptional payments but a general increase in prices seemed to be attributable to the increase in expenditure.

It was noted expenditure for Three Counties did not include the cost for the Annual Refit, this would be paid in the next financial year.

Interest from the Deposit held by Suffolk County Council had been paid at a better rate than anticipated.

Members Agreed to Note the contents of the paper.

FHR24/07 Quarter 4 Management Accounts

Members noted the variance on expenditure was close to budget for the year.

Cllr Coupland enquired whether there was any news on future New Burden Funding for the year. The CEO advised it was his understanding that Defra accepted that core new burdens funding needed to be permanent, but any additional funding was being linked to specific work streams or issues. This was the final year of the additional workstream related funding and AIFCA were in the process of putting forward the case for new funding to take its place and a paper had been submitted to the Government's Spending Review. However there was some concern regarding this process as a General Election may hinder the process.

Members Agreed to note the content of the report.

FHR24/08` Annual Statement of Accounts

Joanne Sams explained the end of year accounts and the slightly different presentation. It was noted there had been some difficulty in understanding the working of the previous years' comparisons.

CURRENT ASSETS: Defra funding which had been spent but not yet received had been included. This comprised £140k for workstream funds and £225k towards the purchase of *FPV Thunderstruck*.

Debtors listed at the end of the previous year total £4k but there was no indication what this was comprised of so the decision was taken to resolve and remove this sum.

CURRENT LIABILITIES: at the end of 2023 this totalled £247,553 which had been resolved down to £29,652, the rest having been moved to Long Term Liabilities and comprised funding previously received from Defra for IFCA's to purchase IVMS – it had previously been held in Creditors but was shown more clearly in Long Term Liabilities. Ultimately this money would be used by AIFCA for national projects.

CAPITAL & RESERVES: The only change was to the Vessel Replacement Fund, all excess for the year having been moved into this Reserve.

Earlier in the year the decision had been made to put £100k of Defra funding in the Operational Fund Reserve.

INCOME & EXPENDITURE:

Income included project grants to support work projects.

RV Three Counties expenditure did not include the Refit costs for 2023/24, this would be paid in the next financial year.

Vessel Insurance had been moved to a separate heading for clarity. It was noted that advice had been received that all insurances were going up in price.

ASSETS : did not form part of the Balance Sheet, the decision was made not to depreciate them as it had not been previous policy to do so. An Asset Register was kept so the initial costs was known. If the decision was taken to start depreciating the Assets a revised Profit and Loss account would be required and many would have no value, when in reality there would be profit from the sale. It was felt that as long as any sale returned the market value then it was acceptable.

Cllr Coupland suggested this clarification was added to the bottom of the fixed Asset list, stating the price listed was the purchase price not the actual value.

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 Authority's Financial Regulation 3.4 transfer of funds to and from 'ear-marked' reserves as outlined in the Statement of movement in reserves.

Proposed: Cllr Back

Seconded: Cllr Coupland

All Agreed

FHR24/09 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: Cllr Back

Seconded: Cllr Coupland

All Agreed

FHR24/10 HR Update

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

The Deputy Chief Officer advised there had been no new starters or leavers during the last quarter.

All the structure changes discussed at the last meeting had been implemented with officers now working through the probationary period. There remained one vacant Grade 5 Marine Science Officer post which recruitment would be considered for once the new incumbents had completed their probationary periods and the changes reviewed.

Regular meetings were being held with the outsourced HR Consultant, work was progressing with updating contracts and policies.

Unison Representatives had been met to advise them the reviews were taking place.

One IFCO was on long term sick. Having previously encountered problems with his back and neck he had undergone an operation. Before returning to work the Officer would be referred to Occupational Health/Muscular Skeletal consultants for review.

Unions had submitted their preferences for the annual pay review, it was anticipated any decision would not be made until later in the year.

Rules around flexible working had been changed, effective from 1st April. Two requests for flexible working arrangements had been received. Each would need to be considered on a case-by-case basis.

Members Agreed to note the content of the Report.

FHR24/11 New Vessel Update

The CEO advised the Authority had taken delivery of *FPV Protector IV* the previous week. It had been a protracted process which had started in 2019. There remained one final stage payment left to make. Sea trials and crew training were being undertaken. It was anticipated the vessel would be used throughout the district. The vessel capability was a big step forward on all levels, prompting positive responses from the crew.

The naming ceremony would be held on 19th June, in conjunction with the next Authority meeting.

The Authority were also progressing with two further vessels:

C-FURY: the daughter vessel for Protector IV was being built to comply with Workboat Code 3, as this was the first vessel they had built to this standard the builders were being particularly cautious to get the build right. It was hoped the vessel would be complete by the end of July.

THUNDERSTRUCK: a second-hand fishing/potting vessel currently undergoing refit and it was intended that it will be on display at the Seawork Workboat Show early in June prior to being operational in the district by mid-June.

The vessel will have the capability to inspect and recover gear as well as other research work.

RV Three Counties was up for sale, to date there had been three viewings, valued at £620k it was anticipated there may be some negotiation before the vessel was sold.

Members raised some queries about the capabilities of the new vessels. It was noted that some research work off Cromer had not been completed in part due to lack of availability of multi-beam survey equipment, following the purchase of these new vessels it might be worth enhancing their capabilities by purchasing such equipment from funds in the Asset replacement fund, however there was a lot to consider first before making such a decision.

Members Agreed to note the content of the report.

FHR24/12 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.

Vision

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Action Item 6

Finance and HR sub-committee meeting.

6 August 2024

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

Payments made and monies received during the period 1 April to 30 June 2024 (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.

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.

Payments made during the period 1st of April 2024 to 30th of June 2024					
	Month 1	Month 2	Month 3	Total	Last Year
	£	£	£	£	£
Transfers to EIFCA Salaries Account	98,000.00	100,000.00	100,000.00	298,000.00	400,000
Rent, Rates & Service Charges	6,842.20	6,469.64	9,083.12	22,394.96	14,940
General Establishment	33,174.51	26,081.61	4,674.41	63,930.53	36,732
Legal Fees	-	750.00	750.00	1,500.00	27,699
Staff Travelling & Subsistence	1,686.08	1,884.94	1,594.78	5,165.80	4,026
Members' Allowances	-	95.40	197.82	293.22	196
Training	1,600.00	1,210.00	-	2,810.00	-
Moorings/Harbour Dues	-	1,039.83	56.55	1,096.38	235
Three Counties Operating Costs	26,843.59	5,724.05	6,943.75	39,511.39	7,518
FPVs ST & Sea Spray	3,267.19	1,488.27	2,929.76	7,685.22	5,684
C-Fury - PIV daughter vessel	2,840.88	-	-	-	-
C-Fury - running costs	87.66	-	-	-	-
Protector IV - running costs	611.81	-	-	-	-
Thunderstruck - running costs	587.52	-	-	-	-
Vehicle Operating Costs	13,274.19	2,453.68	623.75	16,351.62	6,095
Communication and Development	-	-	-	-	330
Insurance	-	21,697.46	42,242.10	63,939.56	37,918
Marine Science	1,024.88	45.80	4,116.80	5,187.48	3,680
Enforcement	1,042.80	1,552.53	956.95	3,552.28	5,846
WFO	-	-	-	-	-
Asset Purchases	195,185.86	21,353.41	3,236.34	219,775.61	380,044
VAT recoverable	47,043.87	12,347.90	5,415.94	64,807.71	19,506
Grant Funded Project	-	251.95	524.79	776.74	-
TOTAL PAYMENTS MADE	433,113.04	204,446.47	183,346.86	816,778.50	950,449
Monies received during the period 1st of April 2024 to 30th of June 2024					
	Month 1	Month 2	Month 3	Total	Last Year
	£	£	£	£	£
Levies	663,899.00			663,899.00	1,122,699
Defra funding	50,000.00		90,000.00	140,000.00	539,151
Asset replacement				-	168,827
WFO - Permit				-	-
WWF Grant - Cromer Shoal		15,000.00			
EMFF Grants	-		-	-	-
Whelk Licences	1,677.50	257.50	500.00	2,435.00	300
Shrimp Permit				-	-
Wash & North Norfolk Coast EMS				-	-
VAT		£ 92,557.96		92,557.96	17,107
Fixed Penalty Fine			250.00	250.00	-
EHO Sampling			9,216.00	9,216.00	4,608
Lay Rents				-	-
Court Costs				-	-
Interest	20.13	2.25	4,494.46	4,516.84	3,072
Asset Sales				-	-
Refund Costs				-	6,063
Miscellaneous	6,562.94	-	-	6,562.94	509
Mineral oil rebate				-	-
TOTAL MONEY RECEIVED	722,159.57	107,817.71	104,460.46	919,437.74	1,862,336

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Action Item 7

Finance and HR sub-committee meeting.

6 August 2024

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

Report on the Management Accounts during the period 1 April to 30 June 2024 (Quarter 1)

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.

Members should note that there are still a relatively small number of issues in the accounting that means that there is not always consistency between the Payments and Receipts and the Management Accounts, and some items are not shown under the correct headings. This is not thought to effect portrayal of the overall financial position for this financial year and work to rectify the matter has been escalated with the Authority's accountants.

Background documents

There are no background documents to this paper.

Management Accounts					
For the 3 months ended 30 June 2024					
			Variance	Budget 24/25	Budget 24/25
Account	Apr-Jun 2024			QTR 1	For year
Salaries & Wages					
Staff Remuneration	226,428.65	£	30,360.35	£ 256,789.00	£ 1,027,156
Pension	44,871.84	£	13,017.41	£ 57,889.25	£ 231,557
National Insurance	23,836.33	£	577.92	£ 24,414.25	£ 97,657
Total Salaries & Wages	295,136.82	£	43,955.68	£ 339,092.50	£ 1,356,370
General Expenditure					
Accommodation	19,278.97	£	2,672.28	£ 21,951.25	£ 87,805
Insurance	0.00	£	2,721.50	£ 2,721.50	£ 10,886
General Establishment	36,627.64	-£	2,102.64	£ 34,525.00	£ 138,100
Officers' Expenses	293.22	£	3,456.78	£ 3,750.00	£ 15,000
Members Travel	6,904.96	-£	6,529.96	£ 375.00	£ 1,500
Training	2,810.00	£	5,940.00	£ 8,750.00	£ 35,000
Total General Expenditure	65,914.79	£	6,157.96	£ 72,073	£ 288,291
Operational Costs					
PR (Literature & Brochures)	0.00	£	250.00	£ 250.00	£ 1,000
Enforcement	3,552.28	£	1,822.72	£ 5,375.00	£ 21,500
Research/Env	5,530.06	-£	1,030.06	£ 4,500.00	£ 18,000
Total Operational Costs	9,082.34	£	1,042.66	£ 10,125.00	£ 40,500
Grant Funded Project					
Grant Funded Project	776.74	-£	776.74		
Total Grant Funded Project	776.74				
Vessels					
Moorings/Harbour dues	1,157.63	£	467.37	£ 1,625.00	£ 6,500
Total Vessels	1,157.63				
Vessel Operating Costs					
Three Counties	40,078.38	-£	26,703.38	£ 13,375.00	£ 53,500
FPVs ST & Sea Spray	7,695.74	£	1,929.26	£ 9,625.00	£ 38,500
Vessels Insurance	5,632.67	£	4,867.33	£ 10,500.00	£ 42,000
Thunderstruck - running costs	1,179.80	-£	1,179.80		
Protector IV - running costs	616.84	-£	616.84		
C-Fury - runnings costs	87.66	-£	87.66		
C-Fury - PIV daughter vessel	2,840.88	-£	2,840.88		
Total Vessel Operating Cos	60,447	-	24,165	35,125	140,500
Vehicles					
Operating Costs	11,736.08	-£	276.08	£ 11,460.00	£ 45,840
Total Vehicles	11,736.08				
Contingency	0.00			£ 10,000.00	£ 40,000
TOTAL EXPENDITURE	441,159.63	£	36,715.62	£ 477,875.25	£ 1,911,501

Income						
Levies inc New Burden fundin	663,899.00		-£ 374,804.00		£ 289,095.00	£ 1,550,525
One-off Funds ie Defra	140,000.00		-£ 102,500.00		£ 37,500.00	£ 150,000
WWF Grant - Cromer Shoal	15,000.00		-£ 15,000.00			
Total Income	818,899.00					
Miscellaneous Income						
Whelk Permits	2,435.00					
EHO Income	21,716.00					
Wash Fisheries/Lays	(100.01)					
Bank Bonus & Interest	4,516.84					
Miscellaneous	6,562.94					
Total Miscellaneous Income	35,130.77		£ 7,130.77		£ 28,000.00	£ 112,000
TOTAL INCOME	854,029.77		400,899		453,131	1,812,525
Asset Purchases						
Protector IV	184,319.81					
Thunderstruck - Potting Vess	35,455.80					
Total Asset Purchases	219,775.61					

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Information Item 8

Finance and HR Sub-Committee Meeting

06 August 2024

Asset disposal (vehicles)

Report by: Jon Butler (Deputy Chief Officer)

Purpose of Report

The purpose of this report is to seek agreement from members to dispose of current vehicle assets and seek agreement on the process for doing so in the future.

Recommendations

It is recommended that members:

- **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 and HR Sub-committee, with respect to the Authority's vehicles, shall 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.

Background

A 7-year rolling replacement of the vehicle fleet has been adopted, all of which are purchased outright. Disposal has either been via private sales or through vehicle purchasing companies such as 'We buy any car.' Disposal after 7 years is considered suitable as most vehicle warranties have expired and it is noticeable that costs for maintenance and servicing increase when vehicles reach this age.

It was highlighted in the Authority's annual audit by Norfolk County Council in 2023 that vehicle assets had been disposed of otherwise than in accordance with the Constitution and Standing Orders. The observation was made on the basis it is stated in Chapter 5 Section 13.2 '*No asset exceeding the £10,000 de-minimis level recommended by District Audit shall be sold, leased or otherwise disposed of without the authority of the Finance & HR sub-committee*'.

The value of vehicles within the Authority's fleet is published in the Annual Report but the value reported is based on the original purchase price ex VAT and not the current

market value. As a consequence, whilst the real time value of assets may be below the £10,000 threshold per the Constitution and Standing Orders, they cannot be disposed of by without Sub-committee approval. To rectify this, at the Finance and HR Sun-committee of 7 November 2023, members were advised of the intention to revise the asset register to reflect depreciation of assets over time.

Report

Following the previous report in November 2023 one Skoda Yeti 2.0 TDI was disposed of per the approval provided at that Sub-committee meeting. Agreement is being sought for disposal of the remaining fleet (Table 1) where appropriate and consider suitable replacements where required, within the next 24 months.

Table 1. vehicles in the Authority's fleet which are intended to be disposed of (and replaced as necessary) over the following 24 months.			
Vehicle details	Entered Service	Replacement Date	Estimated Replacement Cost
Ford Tuorneo bus	2016	2023	£18,000
Skoda Yeti 2.0 TDi	2017	2024	£18,000
Skoda Fabia	2017	2024	£11,000
Isuzu DMax Eiger	2015	2022	£20,000

Consideration was given to revising the method for expressing asset value within the asset register to enable disposal of depreciated assets without agreement of the Sub-committee, which would most likely include all the vehicles in Table 1. However, it was found that revision of the method would have wider consequences and the "book value" method was adopted, per the end of year accounts presented at the previous Sub-committee (7 June 2024), which effectively maintains the current situation and conflict with the Constitution and Standing Orders going forward.

Notwithstanding the agreement sought with respect to the vehicles in table 1, to facilitate efficient business operations into the future and avoid the need to seek agreement from the Sub-committee as a symptom of the method assets are referred to in accounts, it is proposed that the Sub-committee further agrees to a clarification of the interpretation of point 5 of the Sub-committee's scheme of delegations. Specifically that 'worth' refers to the market value of the asset at the time of disposal, rather than the value at time of purchase as listed on the asset register and that the market value would be determined through obtaining a quote from a reputable source and where the value exceeds £10,000, the Sub-committee's agreement would be required for disposal.

Financial Implications

The Authority's reserves include £60,000 earmarked for vehicle replacement and the amount available would be supplemented by any monies received from the sale of vehicles. It is not envisaged all vehicle would be replaced this financial year, but disposal and replacement would occur over two financial years.

Legal Implications

Noting that during the 2023 audit, it was identified an asset was disposed of other than in accordance with point 6 of the Sub-committee's scheme of delegations, and

that the Authority has a duty to secure best value with respect to use of public money, the key legal risk relates to challenge on this basis. This is mitigated by seeking the Sub-committee's agreement for disposal of vehicles.

In addition, the value of an asset, and a vehicle in particular, is expected to depreciate over time in a predictable way and it is reasonable that the processes for disposal accommodate for this and do not create unnecessary burden on the Authority. Providing clarity as to the meaning of 'worth' with respect to the relevant wording within the Constitution and Standing Orders is intended to achieve this in a transparent way and is not considered to pose a particular legal risk.

Appendices

None

Background Documents

Papers and minutes for Action Item 9 Finance and HR Meeting 7 November 2023

Papers and minutes for Action Item 9 Finance and HR Meeting 7 June 2024